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Thursday, April 28, 1994

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Thursday, April 28, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to three petitions.

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NATIONAL DAY OF MOURNING

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, on this national day of mourning, I offer my deepest sympathy to Canadian workers.

We all remember friends, relatives or colleagues who died, were injured or handicapped for life as a result of work accidents.

[*English*]

Nothing would give me greater pleasure than to be able to say that from year to year workplace safety and health have been improving and that prevention measures have been implemented with a high level of success. Unfortunately this is not so.

In 1992 for example, more than 700 workers lost their lives as a result of work accidents. Although the fatality rate generally has declined over the past decade all the parties involved, the workers, employers, unions and regulatory bodies, clearly have to improve and take more seriously the question of workplace safety so they begin to make a difference to all those who have lost friends, relatives and family members to workplace accidents.

Investing in safety and health is investing in people and in prosperity and also avoidance of unnecessary tragedies. I am

very hopeful that step by step we can continue to enhance regulations at the federal and provincial levels to increase compliance and to improve our performance in protecting Canadian workers.

To that effect, the Canadian Centre for Occupational Health and Safety located in Hamilton provides a very important service of information, support and resources in protecting employees and giving important knowledge to employers about workplace safety.

[*Translation*]

I recently visited the centre, and took that opportunity to announce that my government was giving the centre \$100,000 to help it maintain its toll free emergency phone service.

[*English*]

This very important service ensures that there is one central place where individuals, employees and employers can phone in to get up to date information. It would be my hope in the future to continue to enhance and augment the role of the centre. I believe it is one of the most important institutions in workplace safety in the country.

I would also like to point out to members that occupational health and safety is a broad international concern. When signing the NAFTA labour agreement the three countries, Mexico, United States and our own agreed that this would be the priority issue. We have established as a result of that meeting a series of major conferences on workplace safety, the first beginning in Canada this summer.

We can now use the labour agreement under NAFTA as a venue and a means by which we can both improve knowledge and even aid those other countries by sharing information, by sharing knowledge and looking at measures in key industries like the oil and gas industry, engineering and others so that we can begin to provide in a co-operative fashion mutual activities.

I am sure that all members join me in remembering those who have paid the ultimate price in the workplace. I trust that they will encourage their constituents to be more vigilant about occupational health and safety. We can drastically reduce the pain and suffering caused by accidents to the victims, their families and friends if we all are more caring, more vigilant and more concerned.

Routine Proceedings

(1010)

[Translation]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, according to the Canadian Labour Congress bulletin on health and safety in the work place, one thousand workers die annually as a result of accidents in the work place, and another million are injured, while thousands more die of diseases caused by toxic substances used in the work place or as a result of various other problems in their job environment.

The Bloc Quebecois, the Official Opposition, wishes to join in this national and international day of mourning in honour of those men and women who died on the job or as a result of an accident or a disease contracted in the work place.

Speaking on behalf the Official Opposition, I must point out that although the actual number of accidents has declined, the situation is far from ideal. In fact, many job related diseases have not yet been recognized as such and are therefore not included in these figures.

It is also true that the work place is changing, and as we have seen in the past, each new generation of technologies brings with it new diseases and accidents. The same is true today. Unfortunately, unlike other periods before the second world war, the labour movement is not on the rise and is experiencing difficulties in certain areas and even receding in certain cases. That is why governments have an even greater obligation not only to improve legislation but also its implementation.

Because of the pressures of globalization, there is an increasing tendency to fragment the work place and have jobs done by companies whose labour practices are irresponsible. This means that we as parliamentarians must remain alert. Only political will and social commitment will be able to stop these terrible and unacceptable effects of the job environment. We are concerned about the problems of the unemployed, but we cannot ignore those who, because of current pressures in the work place, must work under conditions that may lead to loss of life or loss of physical or mental well-being.

[English]

Mr. Grant Hill (Macleod): Mr. Speaker, politicians are well known for sitting behind mounds of paper and bureaucracy dispensing advice to others. Seldom do they step outside their hallowed halls to feel the pain and also the joy of aching muscles and blisters from a physical day of hard work.

In my view it would be far more appropriate today if we had a framer, a mason, a steeplejack, a buggy operator, a labourer or a roustabout to offer a tribute in these halls.

I personally recall a powerful young mechanic severely injured by a propane blast that took his sight in one searing instant, leaving him disfigured and blind, his years of training

made useless, his life's experiences suddenly only memories, his world a shambles.

Cliff and his wife never complain. In fact they are happy to have one another's love and support. Occupational health and safety are important. To Cliff and all his injured colleagues I dedicate this national day of mourning. To those less fortunate I offer a simple prayer.

* * *

(1015)

*[Translation]***COMMITTEES OF THE HOUSE**

PUBLIC ACCOUNTS

Mr. Richard Bélisle (La Prairie): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Public Accounts. According to the committee, discussions on the debt and the deficits should not happen only during prebudget consultations but should be an ongoing process. The committee suggests that all members of Parliament use, among other things, the indicators proposed in this report to explain more readily to their constituents Canada's financial and economic situation.

The report tabled today reflects the basic consensus of the committee and the dissenting opinion of the members for Joliette and Chicoutimi concerning the addition to the report of a series of prospective economic indicators.

Pursuant to Standing Order 109 of the House of Commons, the committee is asking the government to table a comprehensive response to the report.

* * *

*[English]***CORRECTIONS AND CONDITIONAL RELEASE ACT**

Mr. Derek Lee (Scarborough—Rouge River) moved for leave to introduce bill C-242, an act to amend the Corrections and Conditional Release Act, the Criminal Code and the Young Offenders Act (improvement to public safety).

He said: Mr. Speaker, I am very pleased to be able to reintroduce into this House this bill which amends the Criminal Code, the Young Offenders Act and the Corrections and Conditional Release Act.

The bill will close a significant loophole in sentencing laws. It will lower the age of application of the Young Offenders Act. It will outlaw so-called crack houses and other locations involved in the trafficking of drugs. It will provide for stiffer bail procedures. It will deny statutory release to repeat serious offenders and will allow for the benefit of victims judicially ordered blood tests for those accused of sexual assaults and rape.

I want to acknowledge the support and collaboration of other colleagues in this and the previous Parliament and the assistance of various victims groups throughout the country which participated and collaborated in the construction of this bill.

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

* * *

[Translation]

DEPARTMENT OF LABOUR ACT

Mr. Réal Ménard (Hochelaga—Maisonneuve) moved for leave to introduce Bill C-243, an Act to amend the Department of Labour Act (eligibility for assistance for long-service employees).

He said: Mr. Speaker, I thank my colleague from Mercier for seconding the motion for introduction of this bill which seeks to amend the Program for Older Workers Adjustment.

The private member's bill I have the pleasure to introduce today in this House seeks to correct a terrible inequity toward Montreal workers and all workers from a community having more than 500,000 inhabitants. A laid off Montreal worker is eligible to the Program for Older Workers Adjustment only if the company laid off more than 100 workers in a single group.

But it so happens that, in Montreal, the industrial make-up is such that the vast majority of companies employ 20 to 30 workers. As a consequence, 83 per cent of all applications under the OWA program in Montreal have been rejected. This bill seeks to change that situation. I hope it will be favourably received by government members.

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

* * *

(1020)

STARRED QUESTIONS

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, would you be so kind as to call starred question No. 24.

[Text]

Question No. 24—**Mr. Robinson:**

Does the government intend to submit a brief to the International Court of Justice in response to their request for briefs concerning the legality of the use by a state of nuclear weapons in armed conflict? If so, what position will the government take on this issue, if not, why not?

Supply

[Translation]

Mr. Robichaud: Mr. Speaker, I ask that the answer be printed in *Hansard* as if it had been read.

Hon. André Ouellet (Minister of Foreign Affairs): The government is considering this issue and will announce its decision in due course.

Mr. Robichaud: Mr. Speaker, I respectfully suggest that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Kilger): Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

[English]

The Acting Speaker (Mr. Kilger): I wish to inform the House that pursuant to Standing Order 33(2)(b), because of the ministerial statement Government Orders will be extended by nine minutes.

GOVERNMENT ORDERS

[Translation]

SUPPLY

ALLOTTED DAY—AGRICULTURE

Mr. Jean-Paul Marchand (Québec—Est) moved:

That this House denounce the government's lack of action in the agricultural sector, which is currently facing the most significant changes in thirty years.

He said: Mr. Speaker, I thank my distinguished colleague from Hochelaga—Maisonneuve for seconding this motion. I am pleased to rise in this House for this motion:

That this House denounce the government's lack of action in the agricultural sector, which is currently facing the most significant changes in thirty years.

I also ask all members of all parties present here to do the same in condemning the government's inaction on agriculture. A self-respecting society is one that recognizes the importance of its agriculture. A country must first of all ensure that its citizens have good food, hence the importance of stimulating this crucial sector of our economy. Subject to the whims of nature and buffeted by political decisions made here and elsewhere, agriculture requires heavy investment, diversified technical expertise and constant support from the government.

We cannot overemphasize that. Agriculture is a very important industry in Canada. Agri-food accounts for nearly 8 per cent of the gross domestic product and almost 2 million jobs, 15 per cent of all employment in Canada. It produces some \$64 billion of goods a year. Food processing industries alone gen-

Supply

erate \$38 billion, which is more than the automobile industry in Canada, which generates about \$30 billion.

In fact, every dollar of agricultural production generates nearly \$3 in economic benefits.

(1025)

Agriculture is, therefore, extremely important to Canada and to Quebec. It plays a major role in our economy, serves as the basis of our society and is an important component of our national identity.

The 38,000 farms and 1,200 processing plants which make up the agri-food industry inject roughly \$3 billion into the economy in the form of inputs, services and salaries. The industry generates approximately 400,000 jobs, or 11 per cent of the overall total, and accounts for \$11 billion in shipments in the manufacturing sector in Quebec.

This is nearly three times the shipments of the pulp and paper sector. In fact, the agricultural and agri-food sector in Quebec is much larger than the province's pulp and paper industry or even the automobile industry.

Is it not time for our politicians and governments to pay more serious attention to agriculture and to stop neglecting this sector which provides a source of jobs and economic wealth?

What could account for this laxness and lack of action on the part of the government? Because there is no question that farmers are currently facing serious problems. With the upheavals resulting from the GATT and the NAFTA, the agricultural sector has undergone over the past few years some of the biggest changes in 30 years.

No one denies that the GATT and the NAFTA have changed the rules of the game in agriculture and it is hard to argue that in the case of these agreements, the federal government was truly successful in defending the interests of Canadian farmers.

The Canadian government lost out on GATT. First, because it failed to maintain support for article XI and was unable to cobble together a coalition of countries to defend its position and ensure that article XI would be maintained. Not only did the federal government fail to defend article XI of the GATT, which provides for a highly equitable system for farmers and consumers, it failed as well to gain a reasonable period of time for farmers affected by article XI to adapt to changes in these sectors.

The agri-food industry needs a reasonable period of time to make the transition to a competitive world. However, the government failed to win the industry enough time to make a smooth transition to the new system.

By signing the GATT Agreement, the federal government is subjecting the farmers of Quebec and Canada to time frames and terms of change imposed from the outside, by their very competitors.

In fact, the government's lack of action in the agricultural sector has been obvious since the GATT Agreement was signed, and in its trade negotiations with the United States in particular.

Not only did the federal government lose the battle for article XI at GATT and give the farmers very little time to adjust, but when it signed the GATT agreements on December 15 last, it did not make sure our many trade disputes with our main trading partner, the US, were settled.

Canada has since had to negotiate under pressure the settlement of a large number of trade disputes in the agricultural sector. Naturally, the United States has managed to drag Canada into global negotiations of all issues pertaining to agriculture instead of negotiating issues on the merits of each case.

In so doing, Canada had once again put itself in a position of incredible weakness. The federal government's strategy is one of damage control, a mainly defensive strategy. Our negotiators keep complaining that the US is acting in bad faith.

Canada's position of inaction and passivity is also exemplified by the fact it has accepted to negotiate a cap on Canadian durum wheat exports to the United States.

(1030)

Given that Canada is doing nothing wrong under NAFTA, why allow to be penalized with respect to durum wheat exports when we know that the problems are on the American side?

There is a very long list of cases resulting from agreements signed at GATT and from NAFTA in various agricultural areas across the country which show how weak and soft this government's administration of agriculture is. But we will have the opportunity to discuss this in greater detail later on.

Canadian agriculture is faced with a serious problem, and the government has not done anything to deal with it: that is the considerable decline in the number of Canadian farms.

In Canada in the last 20 years the number of farms has fallen by nearly 25 per cent or almost one-fourth. We lost close to 100,000 farms. This means that 170,000 men and women who used to farm no longer earn a living as farmers. Even among those who still farm, almost 40 per cent, and in some sectors over 50 per cent, need a regular job elsewhere to survive as farmers.

In other words, in Canada not only is the farming population diminishing but it cannot even earn a decent living from farming alone. Rural people need our support; rural communities are in decline but everything we say on this subject seems to fall on deaf ears. So far the government has not come up with any proposal to improve rural communities and the fate of family farms.

Our farmers are among the most sophisticated in the world in several areas. Despite farmers' meagre income and reduced numbers, average productivity has grown by 2.4 per cent a year since 1981, which puts them in first place in Canada, far ahead

Supply

of the manufacturing sector with a growth rate of only 1 per cent. The excellent performance of farmers must be pointed out.

Canada comes first in the world for its capacity to feed its citizens at the lowest cost. How would you like to live in London, England, and spend 24 per cent of your salary on food in Tokyo and spend 33 per cent or a third of your income to feed your family, when Canadian consumers only spend 13 per cent of their income on premium quality and surprisingly varied food products? In spite of its problems and the lack of government support, the agricultural sector does its job well.

We are losing our farmers at an alarming rate. Our countryside is emptying and unemployment is going up. In addition, farmers are getting older: 42 per cent of them are over 55 and they are hard to replace because farming requires an enormous investment. Return on investment is low and working conditions are hard and totally different from those experienced by other workers in this country.

Who among us would be willing to start a business, invest half a million and, in return, have to work 80 hours a week, as is sometimes the case, without any vacation and for a salary which only represents 80 per cent of the average income of the rest of Canadians? The problem is not that there are no young people willing to take over, it is that the current policy is conducive to the dismantling of family farms.

(1035)

Right now a person who wants to transfer his farm to his child must make great sacrifices. That person must be prepared to accept a substantial reduction of the value of his farm, often on the order of 50 per cent. In other words, it is the person who worked hard for over 40 years, reinvesting all his earnings in the farm to improve it and make it more efficient and profitable, and who always deprived himself of all those little treats which ordinary citizens take for granted—vacations, free evenings, sleeping in, etc.—who must, when the time to retire comes, sacrifice his pension fund to allow his offspring to take over the family operation. Farmers should not have to subsidize the new generation taking over. If we want an abundant and steady supply of food items, the government must take its responsibilities and initiate a farm transfer program. When will the government do that?

The loss of a farm is a tragic event which accelerates the deterioration of rural zones. We must put a stop to this terrible pattern. We must do something to keep rural populations from constantly decreasing. A healthy rural community is essential to the well-being of our society. Losing a farm often means losing a concession, a road, a post office, or a store. It can also lead to the deterioration of our rural communities and massive loss in investments, knowledge, money, training, expertise, research

and subsidies. Our rural communities are full of dynamic and intelligent people who deserve better than what the government is proposing. The time has come for our distinguished colleagues opposite to introduce a rural policy that includes farm transfers.

Besides worrying about who will take over from them, farmers are concerned about their farm income which, as was mentioned earlier, does not get them very far. How many of us would be ready to spend our evenings, our weekends and our holidays holding down a second job, because our boss does not pay us a decent salary? In 1992–93, government subsidies accounted for 42 per cent of the total net income of farmers. This represents a significant decrease, since direct federal subsidies dropped by \$113 million in 1993. Things are getting better, slowly but surely. However, these figures clearly indicate that the government contribution is crucial to the survival of our agricultural industry. Farmers need some support from the government.

The Department of Agriculture and Agri-Food has a budget of some \$3 billion, which represents less than 2 per cent of the federal government budget. This is not a huge amount of money when you consider the importance of this sector. Unfortunately, the money is not always well spent. Take for instance, agricultural research. In 1992–93, \$300 million of taxpayers money were spent in this area, which provides 3,000 jobs. At first glance, this seems like a good investment. However, the money may not have been spent efficiently.

The Auditor General said: “The Department does not have in place a system to monitor the use of the technologies it has developed and transferred, with the exception of tracking the usage of new seed varieties. Without an effective monitoring system, it is not possible to determine how successful the Department has been in improving the adoption of technology by Canadian producers and processors”. Since 1986, the department has known that until a responsibility framework has been defined and implemented by means of fiscal systems and performance evaluation mechanisms, it will be unable to highlight effectively the connection between resources and anticipated results on the one hand, and expenditures and actual results on the other hand.

(1040)

Wasted money, ineffective research, much could be said on the gathering of market information and the gathering and compilation of statistical reports. It is incredible how Agriculture Canada fails to meet farmers’ needs. Information does not always include conclusions, forecasts and data on market opportunities, and I quote from the Auditor General: “Dissemination of market information/intelligence is too slow and fails to meet the industry’s needs for timeliness”.

Supply

Although rather small, Agriculture Canada's budget is not managed effectively. The system has several deficiencies and it is about time we do something about it. In 1994, there will be a thorough review of the department's programs as a result of the signing of the GATT and NAFTA agreements.

In the past, these programs were not well controlled. Again I quote the Auditor General: "Some key aspects of the agreements, such as objectives, responsibilities, cost sharing and accountability, are not clearly defined".

So much money and effort has been spent to provide a service that does not meet the producers' needs. There is waste also in the duplication of programs, be it farm credit, food inspection, income support, market development or marketing. These duplications entail costs for the taxpayers, for such things as staff, services or office space. The respective tasks of the federal government and the provinces in trade exploration are poorly defined. As for the information gathered by various departments, when it is passed on to farmers, it is often too late for them to take advantage of it.

There has been progress, of course, but there is still much duplication between the federal and provincial levels, not only in programs but also in data, as we can see in this blatant example. According to Agriculture Canada data on hog exports, the figure for 1992 was 72,000 for Eastern Canada; but according to Statistics Canada, the figure for the same year and the same region was 125,000, that is twice as much. This is at the very least very bad data compiling, and it is very embarrassing to see such nonsense.

The Chair is indicating that I have one minute left, but a minute is not enough. It is unacceptable, all the more so since I was getting to the core of the subject.

Beyond these many difficulties for farmers, the waste and the many administrative duplications, there is something even worse in the agricultural sector. There is a very serious inequity problem in Canada between the west and Quebec, an inequity that shows up in many ways and that has been going on for a long time. There are numerous instances: milk, research, rural diversification, transportation and GATT. For example—and to sum up quickly since I do not have time to extrapolate—since 1980, the federal assistance share of the prairie provinces, Manitoba, Saskatchewan and Alberta, has grown from 42 per cent to 64 per cent of the federal budget, whereas financial assistance for Quebec has decreased from 30 per cent to 10 per cent.

The Acting Speaker (Mr. Kilger): Since the hon. member for Québec-Est is the first member to participate today in this debate on a matter of great importance to the whole country, I wonder if there would be unanimous consent to allow the member to conclude his remarks so we can start off debate on the right foot.

[English]

Would there be unanimous consent, seeing that the member for Québec-Est is the lead speaker on this opposition day in this very important debate on the subject of agriculture?

(1045)

[Translation]

I hope the member does not need more than two or three minutes to conclude his remarks.

Mr. Marchand: I need five minutes, Mr. Speaker.

The Acting Speaker (Mr. Kilger): Five minutes.

[English]

The member is asking for unanimous consent to extend his intervention by five minutes. Is it agreed?

Some hon. members: Agreed.

[Translation]

Mr. Marchand: I thank all hon. members for their kindness.

I wanted to deal with the inequity of the situation in agriculture because it lies at the heart of the problem, at least from the Quebec viewpoint. There are numerous examples of inequities between Quebec and western Canada.

Grain transportation is a case in point. Grain traffic on the St. Lawrence seaway is constantly being eroded and diverted to west coast ports. Since 1984, the volume of grain moved through the seaway has been halved, dropping from million 12 to 6 million tonnes.

In 1993 the volume of goods shipped through the seaway was 32 million tonnes, a 50 per cent reduction compared with 15 years ago. Glen Stewart, the chairman of the St. Lawrence seaway authority, says the Western Grain Transportation Act encourages producers to ship their grain through Pacific coast ports. That stands to reason since we have more buyers in the far east, but why is it that millions of tonnes of grain shipped to Africa and Europe also move through West coast ports and Panama?

The dice are loaded because westbound grain shipments are subsidized all the way to the Pacific coast whereas subsidies for eastbound grain stop at the lakehead, which is still thousands of kilometres from the Atlantic ocean. Would it not be normal that such subsidies apply a *mari usque ad mare*, from coast to coast?

Why should western Canada get better treatment than eastern Canada? Right from the beginning, Canadian agricultural policies were developed mainly to meet the needs of western grain producers and worked against the interests of farmers in Quebec. To make up for the deficiencies of their policies and the unfairness of federal transfers to Quebec, we Quebecers have had to develop our own programs adapted to Quebec's realities.

It goes without saying that this situation is very costly for Quebec's taxpayers. The taxes paid by Quebecers for agriculture have mostly benefited western farmers. As I already said, the prairies' share of federal funds rose to 64 percent from 42 per cent, while Quebec's share diminished from 30 per cent to 10 per cent.

Of course the federal government spent money to help the west diversify. In the last five years, hundreds of thousands of dollars were spent to diversify western agriculture, while the federal government never contributed anything to the diversification of Quebec's agriculture.

There are a vast number of cases in which we can very clearly see that the federal government is less and less interested in Quebec's agriculture. Maybe this is good for Quebec's producers because they are very well organized. In fact, I believe they will benefit in a big way from sovereignty.

This may be good but let us take the example of UHT milk made in Quebec, a high quality product which held 40 per cent of the market for this kind of product in Puerto Rico, where the Americans tried to block Quebec exports of UHT milk and succeeded. We are not selling any more UHT milk in Puerto Rico. In this case, the federal government did nothing to protect this \$40 million production. However, at the same time in the beer dispute between Ontario and the USA the federal government intervened very rapidly.

I mentioned diversification of agriculture, but there is another example, the railways. In the west we maintain close to 25,000 kilometres of railway lines for the sake of national unity, while we are abandoning thousands of kilometres of lines in the east, particularly in Quebec.

(1050)

Here is another example. New Brunswick potato growers know that their production is subsidized. Transportation for their potatoes is subsidized at 50 per cent.

No other producers are subsidized at 50 p. 100 for the transportation of their potatoes, so New Brunswick producers can sell their potatoes in Quebec cheaper than Quebec producers.

The same goes for Prince Edward Island, and there are more examples like that one. It is as if the government wants to crush Quebec. Once again poor negotiation strategies at the GATT talks have contributed to scaring Canadian producers. We have the feeling that the federal government does not want to protect farmers, but rather create a very serious instability in quota production. And here we have that crisis in the Ontario chicken market where production is being considerably increased, jeopardizing all quota production in Quebec.

Supply

I will conclude with these very brief words. I am convinced that Quebec's farmers will be the first to benefit from Quebec's sovereignty, because when Quebec recovers the money that it is paying to the west to subsidize agriculture, that money will go directly to the regions and toward social and economic infrastructures, schools, education and services. That money will reinforce Quebec's regions, promote agriculture and even enlist Quebec into a democratization process, which is what we wish for everybody.

[*English*]

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, I did appreciate the hon. member's comments because I come from a rural-urban riding mix as well and have a great support for the agriculture sector, in particular dairy agriculture.

I remind the hon. member of two points that this government has done. In the SEED program, which is summer employment for students, a program that has just recently been introduced, approximately one-quarter of my student applicants have applied for jobs in the farm sector. I would challenge the hon. member that the farm sector is still a vibrant sector in this country, that our young people are returning to the farms and that a nation that cannot feed itself is not a strong nation. I believe Canada is going in the right direction.

The second point I would remind the hon. member of is that with our budget in February of this year we retained the \$500,000 capital gains exemption for small business and farms. Therefore farms could be passed on to the second generation or provide a strength of security for the farm family in the older days of their lives.

We have not done everything that we may, but we are going in the direction to preserve the family farm and to maintain a source of strong, excellent and healthy food supply for this country.

[*Translation*]

Mr. Marchand: Thank you, Mr. Speaker, for the extra time you gave me. I would now like to answer my colleague's question.

[*English*]

Obviously Agriculture Canada has not done everything wrong, I would not go as far as that. There are some things it has done right. Certainly the \$500,000 capital gains due to the Minister of Finance is good, there is no doubt about it, and also the encouragement for young people to return during the summer months to work on the farm.

All sorts of things that Agriculture Canada does are worth underlining, there is no doubt about it, but overall no, this government is not going in the right direction for agriculture and it shows. There are a great number of issues that could be brought up.

Supply

The loss of the number of family farms is an example. The government is not doing anything to counteract this development. I suspect that Agriculture Canada encourages inefficient producing farms or family farms and is in agreement with the American attitude in respect to agriculture. That is to say it encourages well integrated systems, large farms which will make it such that farmers will no longer be farmers. They will become employees in large farms. Maybe they will make a better salary, who knows, but personally I do not think that is the right direction in respect of the family farm.

(1055)

I think the government could use more structural moneys to help redress this. One could go on and on about just this one issue. We could encourage large agricultural businesses situated in Saskatoon or Quebec City, but what about the rural areas? How do you encourage a population to occupy its rural area if you do not encourage the family farm?

Agriculture is fundamental for that. The agricultural population is not different from us. It needs all sorts of services such as schools, education, hospitals and so forth.

In losing the farmers in the rural areas and losing all the other services, these rural areas are abandoned and that is a big price to pay for a country like Canada.

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food): Mr. Speaker, I would like to make a couple of comments to the member opposite who has been chatting with us this morning for a little while.

The last part of the motion refers to the agri-industry which is currently facing the most significant changes in the last 30 years. I would agree with that but I would like to have him recognize, which I think if he were very straight with the House he would, that these changes are also opportunities.

Yes, there are challenges there. At no time in the history of Canadian agriculture has the agri-food industry starting with the primary producer, the farmer, going right up through the whole chain, had the opportunities before it as the industry has at the present time.

The opportunity is there to meet the challenges that are there. It is like everything in life. Those challenges are not always simple and easy, taking a snap of the finger to get them, but those opportunities are there.

I would suggest to the member that he recognize that this government has only been in power for the last six months. He should look at what this government has done with regard to trade initiatives, protecting the family farm, our success in getting the tariff levels in place at the GATT talks, and I could go

on. Work is being done on the pesticide review and with regard to the whole farm safety net program.

I remind the member that we have done a lot in the first six months. He had better sit back and wait because we are not done yet.

Mr. Marchand: Mr. Speaker, there has been an awful lot of talk and a lot of studies. Even the parliamentary secretary for agriculture is involved in one of these studies. However, there has been very little action.

The little action the government has taken has been backward in some respects, forced upon it by the earlier government, for example in the case of GATT. We are dealing with the consequences from GATT. I am not sure or convinced that this agreement was advantageous for farmers in Canada.

I think we broke in, we broke down, we did not negotiate fully or effectively. Now we are caught in a situation in which we are having to give away an agricultural system, the supply management system, which was an excellent system, the world's best system. We are forced to give it away.

(1100)

The agricultural community which was directly under the supply management program now is forced to readapt very quickly, in six years, for example. This is not an advantage to those farmers. Farming is not like producing dingy bells or post cards. You do not change agriculture from one day to the next. You need long term planning and structural investment. You have to know where you are going and this government does not seem to know where it is going.

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, coming from B.C. the subject of grain is not a big issue in our area. However, I want to make a couple of comments to the member about some of his statements regarding his concern about the lack of grain or the decrease in grain passing through the St. Lawrence seaway.

Clearly the member realizes that there has been a huge market change in the demand for grain in the world. Europe, for example, has gone from a net importer to a net exporter of grain. This is a predominant factor in grain shipments throughout the east coast ports.

I sit in the House every day and listen to the members from the Bloc crying about how hard done by the province of Quebec is and how things are so tough and they are being penalized so much. The member should realize that for so many years the pendulum swung the other way toward the province of Quebec.

We talk about the supply management system. Today in the domestic market the province of Quebec enjoys a huge protectionist advantage for shipping things like cheese and milk products and some of the other items in the domestic market.

Supply

In our province, for example, because of the supply management system we are restricted to pretty much a local area for selling our product. The member is once more bringing up the hard done by Quebec issue and I think that his facts are not exactly correct.

Mr. Marchand: Mr. Speaker, Quebec certainly is not winning by any means in this. For example, with milk definitely we have a certain advantage in Quebec over the west, that is for sure. Now obviously with the change in the GATT, Quebec is going to have to realign itself and develop new markets.

In terms of grain transportation it is obvious that there are millions of tonnes of grain going via Vancouver. It is not because I do not want it to go via Vancouver but it is rather illogical to transport grain to Vancouver ports in order to get to Europe when the line is more directly toward the St. Lawrence seaway. There is a very clear tendency there that seems to want to favour it. I do not know why.

This is in line with the whole subsidy program. Why, for example, are there many tonnes of grain that are subsidized going to Thunder Bay and then back down the line to get to the United States? Grain transportation is subsidized in such a way—

The Acting Speaker (Mr. Kilger): Order. I know this issue, as I mentioned earlier, is of great importance and I am sure that members throughout the day will want to raise these issues.

(1105)

[Translation]

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, on behalf of my colleagues, the minister, the hon. Ralph Goodale, and the parliamentary secretary, Mr. Lyle Vanclief, it is with pleasure that I open the debate on the opposition motion relating to a vital sector of the Canadian economy, that is to say agriculture and the agri-food industry.

I would like to start by commenting briefly the wording of this motion that I find absolutely ridiculous. I must tell you that I was stunned—I could not believe my eyes—when I read this motion. Just think, our colleagues opposite are asking that this House denounce the government's lack of action in the agricultural sector. The government's lack of action, nothing less.

Ironically enough, while we are fed such clichés, while we are criticized for our alleged inaction, my colleague, the minister of agriculture, happens to be abroad on a mission to promote agricultural trade.

In fact, that is why I am replacing the hon. minister here today. As we speak the minister of agriculture is leading a trade mission in the Asia-Pacific region. This region is an economic zone undergoing phenomenal growth, one that looks like a promising export market for our agri-food products and know how.

The minister is accompanied by a delegation of 15 leaders of the Canadian agri-food industry representing most areas in that industry. After stopping off in Japan and Korea, they are now in China and from there are headed for Hong Kong.

As recently as last Monday, the minister of agriculture left Korea with a signed contract to sell wheat to Korea as well as interesting prospects for the sale of pork meat and animal feed. If that is called lack of action, there is something wrong with the definition of the word. As a matter of fact, I am convinced that not only the Bloc Québécois critic for agriculture but also my hon. colleague the critic for finance, a prominent agricultural economist, will approve of the objectivity and capacity to promote agriculture in the Canadian economy.

How can one dare talk about government lack of action when this government has been praised by the industry for reacting both quickly and firmly to the American decision to renegotiate customs duties on wheat under article XXVIII of GATT? Our government made it clear that we do not want a trade war with the United States. We would rather negotiate. But we will go to war if we have to. As the hon. minister indicated, no deal will be made with the Americans unless this deal benefits the Canadian agri-food industry as a whole as far as grain products, processing and supply managed commodities are concerned. Canada will not give in on one point to get more on another. We refuse to play one group or region off against another.

[English]

Inertia my eye. This government takes great pride in the exceptional work that our Minister of Agriculture and Agri-Food has been doing since taking office in November. I would congratulate my colleague, the parliamentary secretary to the minister, for his intervention five minutes ago when he talked about the positive things that we as a government and as a country are bringing to this, one of the most important sectors of our economy.

In the last five months the Minister of Agriculture and Agri-Food has travelled widely in an effort to meet all of the pertinent players around the world, in Canada and in Quebec. He has met with industry associations and stakeholders. He has met with provincial and municipal governments as well as American, Mexican and now Asia-Pacific agriculture and trade officials.

These meetings were held in a spirit of co-operation and consultation which has been the hallmark of this government's approach to making Canada's agri-food industry one of the strongest in the world.

The Canadian agri-food industry is a major employer. It is a major exporter. It accounts for 8 per cent of Canada's GDP and 15 per cent of our jobs, three-quarters of which are found beyond the farm gate. In fact, it represents work for more than 1.5 million Canadians on the farm, in processing plants and in the food distribution chain. It also provides Canadians with safe, nutritious food at reasonable prices. Agri-food exports are a

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significant source of income for Canada. In 1992 exports were worth \$13.7 billion.

(1110)

Our platform, the famous red book, says that our sector has unique opportunities for growth and places great emphasis on security for Canadian farm families. It recognizes that Canadian farmers want that security to be built on the development of solid domestic and international markets, on staying at the forefront of innovation, on stewardship of our natural resources and in the confidence consumers have in the safety and the quality of our food.

I would like to take some time to review the work that we have done to live up to our commitments, to follow up perhaps on the intervention of the parliamentary secretary some minutes ago.

I would like to begin by reaffirming as a government our commitment to research and to innovation. This is an area where our government feels that the Department of Agriculture and Agri-Food can work closely with other government departments to build a framework that will make it easy for firms in the agriculture sector to bring products successfully to the marketplace.

Successful agriculture is a knowledge industry. Studies have shown that the return on investment in some key areas of agri-food research can exceed 50 per cent. This is one area where Ralph Goodale is very keen to see government continue to emphasize—

The Acting Speaker (Mr. Kilger): I hesitate to interrupt the Minister of Finance. I just want to remind us all to refer to each other by our titles or positions, such as the minister of agriculture or minister of this, unless of course that member is no longer in this Chamber, which is always regrettable. For all those of us here in this 35th Parliament I know it is a tradition that we will want to maintain.

Mr. Martin (LaSalle—Émard): Mr. Speaker, I am suitably admonished. It is just that I am so enthusiastic about the work the minister of agriculture does that I sometimes get carried away.

In any event, this is one area, that is to say agri-food research, in which the government is very keen to see us place even more emphasis. Therefore, Agriculture and Agri-Food Canada will give a very high priority to innovative research and to collaboration with private research partners.

In our agenda for creating opportunity we have endorsed the idea of providing matching funds for research proposed jointly by the public and the private sectors. My colleague is looking at a variety of options, collaboration with the private sector and the

public sector, including a plan to work with industry for additional co-operative investment funding.

As for trade, which the critic discussed, from the day we took office it has been our top priority. The focus of our government's platform has been economic renewal, growth and jobs. A number of the initiatives so far have been aimed at encouraging small business, stimulating innovation in research and development, providing stability for the future and in particular, restoring confidence and stability in the agri-food sector.

In pursuing these goals we have set out two priorities: concluding the trade deals and getting absolutely the most out of new trade opportunities. That again is what the parliamentary secretary referred to. Let us not only look at the problems but let us look at change as something that will provide a very dynamic agricultural sector with the opportunity to develop new products and create new opportunities.

We hit the ground running by negotiating a successful GATT agreement that will bring fairness and predictability to international trade which Canada is so dependent on.

On January 1 we saw the introduction of the North American free trade agreement which will provide an even greater opportunity for our industry in North America. A more secure trading environment will over time provide better stability for our farm families and for our agri-food entrepreneurs. Our challenge now is to take the utmost advantage of the opportunities presented by these agreements.

(1115)

We already have a commitment from industry to work toward the goal of exporting \$20 billion in agri-food products by the year 2000. That is a considerable leap from the \$13.7 billion we are now realizing. I am confident, as are the Department of Agriculture and Agri-Food and the government, that we can do it if we all work together. I would ask the opposition to join us in that great effort.

The Department of Agriculture and Agri-Food is reordering its priorities to increase support for export initiatives. We have placed agri-food specialists in selected embassies abroad to provide better service for our exporters. The first ones are in place in Mexico, Japan, South Korea and Taiwan. The response we have had to their work has been very good.

To further consolidate our trade efforts in Mexico, we will soon open a Canada business centre in Mexico City to promote our exports and to offer trade related services to our new NAFTA partners.

Canadian farmers are very supportive of this focus on trade. They want to earn their incomes from the marketplace, not from the high subsidy levels that have prevailed over the past few years. They repeatedly tell us that they do not want subsidies, that they just want a decent price from the market.

Supply

The producers continue to need some protection from the vagaries of the market and from external disasters. Our platform promised to review all existing support programs to develop farm income stabilization programs based on the concept of the whole farm, a user friendly safety net based on income from the whole farm.

We see farm income security as a consequence of the marketplace more than as a result of government support programs.

Development of the new whole farm income support program has been a key part of our plan to create security for farm families. We launched in Winnipeg at the beginning of February a consultative process on refurbishing Canadian farm safety net programs which will draw on the expertise of farm leaders from across the country, as well as federal and provincial government officials.

What emerged from that Winnipeg meeting was a strong consensus to make a whole farm program available to all commodities. There was also agreement that some sort of additional support or companion programs would be needed to deal with specific regional or commodity problems as they arise. This will be part of our overall approach to safety nets.

We have already taken a few big steps toward safety net reform. The first was establishing a national safety nets committee made up of government and industry representatives.

The membership of the committee was established to ensure that the agri-food industry had input in the policy and program activities that will lead to the establishment of a renewed safety net regime. The membership is charged with ensuring that the input of all interested producers is brought to the table for consideration. They are to ensure that the deliberations and the conclusions of the committee are disseminated around the country.

We need to develop a program that is GATT consistent, market neutral, financially sound, affordable and effective. We need to ensure that taxpayers' money is spent in the most efficient way: to improve the industry's ability to adapt and to compete while not distorting trade. We would like to be ready to begin its implementation in 1995.

While not strictly a safety net issue, the question of interest free cash advances must be considered when we are thinking about safety nets, because there is only one source of funds for agricultural programs. As the Minister of Agriculture and Agri-Food recently told several farm groups, our government is quite prepared to move on our campaign promise to improve these programs but first he wants to get the opinions of all major farm groups.

It is important to note that the budget of the Department of Agriculture and Agri-Food for all income support and safety net programs is currently about \$850 million. Historically interest free cash advances have cost us \$50 million to \$75 million. If \$75 million is used for cash advances it means that much less is available for other things. If we hear a consensus from producers that it is the best way to spend that money, our government will proceed.

(1120)

The finance critic for the Bloc Quebecois may tell his colleague, the agriculture critic, that he does not think money should be spent on agriculture. However we are going to do it because we believe in Canadian agriculture.

We are asking farm groups to look at the basket of programs we have in place, the new initiatives that may come out of the safety net discussions, and the amount of money available to support these programs, to tell us what is the best way to spend our limited resources, our scarce resources. I know the financial critic for the Bloc will support me in this effort.

Is the commitment to fully interest free cash advances the best use of these funds? Are there ways to make cash advance programs more effective at lower costs? That is the debate we must have in the House.

Another element of security for farm families consists of the programs in place to help farmers manage. There are a number of them. Some are being questioned; others are aimed at helping farmers adapt to changes in farm financial situations which the critic raised in his remarks.

In some cases the provinces have programs similar to our own. We need to assess these programs. We need to ask ourselves what types of programs might be considered companion programs and how they are best going to meet the needs of the future. How can we eliminate duplication among different levels of government? How can we provide straightforward service to farmers? We will be looking at all federal programs in this context.

Tied into the issue of security for farm families and agricultural communities as a whole is the question of rural development. A healthy rural sector is an important part of ensuring a prosperous agriculture industry and vice versa.

The Prime Minister has asked the Minister of Agriculture and Agri-Food to promote and facilitate rural renewal using the resources of Agriculture and Agri-Food Canada. As a result the minister announced that a rural renewal secretariat was being established within his department to provide leadership and co-ordination.

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This secretariat is working with other departments, with provincial governments, industry, communities, organizations and grassroots stakeholders to address the challenges facing rural Canada.

The key to this effort is partnership, the co-ordination of the business of government, the vigilance and the political will to ensure that rural people and rural issues get the careful attention they need around the cabinet table and in the conduct of government.

[*Translation*]

As for supply management, the new GATT agreement will certainly require adjustments on our part, but we must nonetheless recognize that substantial gains were made. We have ensured that tariffs will be reasonably high, applied for a reasonable length of time and combined to clear access rules so as to allow product sectors to get by.

In co-operation with the provinces and the industry, we are developing a supply management system which will be both sustainable and responsive to the new market conditions. A federal-provincial-industrial working group will be holding consultations and developing a strategy to get the most out of the new trading context.

[*English*]

Many agri-food enterprises are small or medium sized businesses. A key part of our platform is directed at helping to unleash the job creation potential in small and medium sized businesses. We will provide one stop shopping for business. We will provide the market development support necessary to succeed in today's global markets. We will continue to cut red tape and unnecessary regulation.

[*Translation*]

Change is now the order of the day. This Parliament must also work in co-operation toward ensuring the prosperity of our agri-food industry.

(1125)

Our government has not been twiddling its thumbs, whatever the opposition says. I call upon its common sense and spirit of co-operation to bring about positive change within the industry. All Canadians will benefit from this.

[*English*]

I believe the farmers and business people of Canada recognize the contribution the agri-food sector brings to the Canadian economy. We all look forward to making the most of what I know will be a better future for all Canadians.

In conclusion, that is why we on this side of the House welcome this debate. This House is a dramatically changed House from the previous one. On our side, as was evident in the intervention of my colleague, there is tremendous interest and

expertise in agricultural matters. There is a very strong rural influence running through the Liberal caucus.

As I look across the House, the Reform Party brings with it a great deal of knowledge and understanding of western agriculture. The agriculture critic for the Bloc Québécois is an acknowledged expert in the area, as indeed is its finance critic an eminent and renowned economist in that sector.

There is an opportunity in the House to marry the tremendous knowledge, desire and enthusiasm for Canadian agriculture existing in the government with the sincerity of the opposition parties. It is for that reason we are delighted to participate in the debate today.

The Acting Speaker (Mr. Kilger): I take note of the interest of members who want to participate in questions and comments with the Minister of Finance. I will attempt to recognize as many as possible in the 10-minute period available to us.

I encourage members to keep their questions brief and the minister to respond in the same fashion so that I may accommodate as many members as possible.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, thank you very much for this opportunity to address the Minister of Finance. I had no idea that he could speak so eloquently about farming.

Speaking for the minister of agriculture, the Minister of Finance stated earlier that I supported a reduction in farm subsidies. Given the enormous upheavals that the agricultural sector in Quebec and in Canada is currently experiencing, I would never have said such a thing quite the contrary.

The government should continue to support the agricultural sector and perhaps even increase that level of support, not only to the primary sector but to the processing sector as well so as to improve the industry's current performance and prepare it to face the challenge of global competition.

When we speak of the government's lack of action, here is what we are talking about. Since 1986 and as far back as 1982, when I was working for the federal Department of Agriculture, there has been a great deal of discussion, at the federal level at least, with the provinces and farmers.

Since 1986 discussions have involved the Conservatives primarily. The current Minister of Finance says that he deplors the fact that no decision is ever taken. Why is that? Because the very same thing is happening today. Senior officials want to implement agricultural policies across the board and coast to coast. I have often questioned the minister of agriculture about income security programs and the negotiations currently taking place between his officials and market growers. His answer has been to leave everything in the capable hands of his officials whose job it is to deal with these matters.

Supply

My question, therefore, is to the minister of agriculture. When will real policies be drafted to give Canadian farmers the ability to meet the challenge of global markets and when will the government show some backbone in the face of constant trade dispute threats from the Americans, as is presently the case with respect to tariffs on Canadian durum wheat?

Mr. Martin (LaSalle—Émard): Mr. Speaker, I am certainly the first to admit that I am not personally known as an expert on agriculture, except that I should tell my hon. colleague that I am a farmer.

I have a farm where I raise beef in the riding of Brome—Misisquoi; it is one of the most beautiful parts of Quebec and I invite him to come and visit my farm and really see what it is to work the land.

(1130)

I also invite the agriculture critic of the Bloc Québécois. I can talk to him as to a Quebec farmer and I can certainly tell him that, for me, as a Quebec farmer, not only the provincial government is important, the federal government is important too.

They ask when we will confront the Americans. It has been done. I was in Washington two days ago. I met the Treasury Secretary there, I raised the issue of the debate that we are having here and I can assure the House that we will hold our ground in these discussions with the Americans and we will win because we are right.

[*English*]

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I listened with interest to the Minister of Finance speak to the issue of agriculture. I appreciate his presence here because a lot of the decisions affecting agriculture have a dollar attached to them.

His speech was rather a motherhood one. I am sure that if you glance through *Hansard* you would see similar speeches made by agriculture ministers and finance ministers since time immemorial both at the federal and provincial levels.

There was really nothing of substance that I can take back to my rural riding and tell my constituents that I heard this from the government and it would give them hope or at least help them to prepare for the decisions they have to make to manage their farming enterprises.

A crucial question we would like to have clarification on from the Minister of Finance is—I am not talking in broad motherhood terms—when federal financial support for agriculture is justifiable.

Reform has very clearly stated the basis on which we feel support is justifiable. I can mention eight areas. What about countering international trade wars? What about transportation issues? What about natural hazards? What about regional disparities in agricultural sectors? What about variations or instability in the marketplace returns from agriculture produce? What about sustainability of rural Canada? What about research and development? What about environmental and conservation measures?

Specifically, does the government support funding for agriculture in these definite areas because I am not sure there are enough dollars to cover all of them. We need to know the priorities of the government. Because the minister went to great lengths to say that the federal agriculture minister was so wonderful I am sure they have had considerable consultation and have an action plan in place.

I would like to know what the priorities of the federal government are with regard to consolidating federal programs. The minister said it is an issue they may pursue. We want to know what programs are going to be consolidated in the agriculture sector. What can we expect from the government?

We also wonder if it would pledge to cut down administration but retain funding in real dollars for actual agricultural programs, except perhaps if savings could be accrued through reduction or de-escalation in the trade war.

Mr. Martin (LaSalle—Émard): Mr. Speaker, the fact is that I dealt quite extensively in my remarks with exactly the points that were raised by the opposition critic.

Our position on the trade war is very clear in terms of our absolute preparedness to go to the wall to protect the Canadian farmer. Indeed the agriculture minister has made that very clear. We are right and we are going to win and let there be no doubt about that.

I dealt with research and development extensively in my remarks. We believe that if you look at the development, the evolution of Canadian agriculture over the years, it is in fact because we have invested heavily in research and development, have developed new hybrid forms of grain, as an example, in the area from which the member comes that we have been so successful in world markets.

We have stated very clearly that the agri-food industry is an essential part of the growing Canadian economy. It is one that is worthy of support in world markets.

The minister is now on a tour of the Asian markets which are crucial to the future of Canadian agriculture.

We have also said that the department of agriculture, as indeed other government departments, will be cutting back on the heavy cost of administration that we have inherited in order to have more money to put into programs to support Canadian farmers.

Supply

That is part and parcel of the philosophy of the government in terms of agriculture, in terms of defence, in terms of industry. We believe that the huge government apparatus ought to be scaled back so that scarce resources can be put on the front line where the battles are being waged.

(1135)

Yes, I did talk very enthusiastically about the minister of agriculture, about the work he is in the process of doing. It is an essential pillar of the economic philosophy of the government, that Canadian agriculture not simply survive but that it grow. That is because as the parliamentary secretary said, we see in Canadian agriculture not only problems as do the opposition, but tremendous, tremendous opportunity.

Mr. Jean-Paul Marchand (Québec-Est): Mr. Speaker, I agree perfectly with what was said previously. We enjoy having the Minister of Finance talk about agriculture. He is a very good speaker but primarily it is a lot of talk. That is very much in line with the minister of agriculture, a lot of talk.

Take GATT for example. Canada lost out on GATT. In fact, we are in this position because the federal government was not strong enough in those negotiations. Take the export of wheat now. Why accept a limit to the export of wheat to the United States? This is what is being negotiated. If Canada really respected itself it would not accept any limit. We would be dealing according to free trade with the United States.

As far as the minister of agriculture's trips to China and so on, of course that is a good trip for him. Hopefully it will be good for Canada. All of these measures are really like motherhood; that is to say it falls within the norms of what we expect from Agriculture Canada and the federal government. However, we expect a little more, not just the bare minimum. We expect more and better ideas in terms of agriculture.

Mr. Martin (LaSalle—Émard): Mr. Speaker, I said in my remarks, as did the parliamentary secretary, that in the program set out by the minister of agriculture, we have been very specific as to the actions we intend to take.

Yes, there are areas where we have said we are going to consult because we think it is an essential part of the democratic process that we go out and that we talk. Surely the members of the Reform Party would agree that you go out and talk to Canadians, talk to those who are involved.

I cannot believe the Bloc Québécois members do not share the same view that what government must do is consult with the stakeholder before coming down with the final program. We have nailed our colours to the mast. We have said what we are going to do.

The final remark I would make in response to the critic's remarks is with regard to what he said about GATT. I watched the evolution of that negotiation. When this government came into power we were dealt a very late hand. A previous government had not faced up to the tremendous demands that were out there; a previous government had not owned up to the Canadian people about what it had said, and a previous government had misplayed its hand very badly in Geneva. Nonetheless, having been dealt that hand, we were able to snatch tremendous victory from the jaws of defeat because of the negotiating skills of the government.

The net result of GATT which could have turned out so badly for Canadian agriculture is that in fact it has turned out to be a tremendous victory. It has turned out to be a tremendous victory because as a government we knew exactly what we wanted. Our negotiators went over to Europe, sat down at the table and did not leave the table until they got it. I am sure that in the private moments of his home the opposition critic knows that.

Mr. Jake E. Hoepfner (Lisgar—Marquette): Mr. Speaker, on behalf of the whip of the Reform Party I would like to advise the House that pursuant to Standing Order 43(2) our speakers on this motion will be dividing their time with your concurrence.

I am really enthused about the hon. minister's speech this morning. I would like to direct a few remarks to him before I go into the details I want to present to the Liberal government.

I started farming because of farm programs like FCC and MACC. I was guaranteed a low interest rate for 25 years which I really appreciated. It was the only way I could acquire land and continue to farm and later retire as a farmer.

(1140)

Why did the Liberal government in the 1970s change the farm credit regulations to do away with those programs and allow the banks to take over the financing for young farmers? Also during that period, why did the Liberal government allow interest rates to go to 24 per cent and force thousands and thousands of farmers off their land?

I am so glad to hear the hon. minister is prepared to do some fence mending on those issues. I hope he gets the fences built a lot stronger in the west because they are getting very thin. If something is not done for the farmers there could be a charge by the big western farmers right down here into Ottawa to demand some changes. However, I appreciate his comments and I hope he will take them into account.

I am not going to be quite as critical of the government on the issues of farm problems as my friend in the Bloc was. However I would like to address some of the problems we farmers are facing. I hope the hon. members in the government will take them to heart, look at them and give us some help with them.

Supply

My speech is mostly going to be directed toward transportation. I would like to point out some of the problems we are having today. We feel the car shortage on the railway system is not due to something that has happened overnight.

I would like to point out to the government that in a letter dated November 15, 1993 the Thunder Bay Harbour Commission Port Authority warned the Minister of Transport at that time that the rail car shortage problem had been some time in the making and was due in part to the policy of dispersing the rail car fleet into trades and routings outside its original purpose.

In an October submission to the National Transportation Agency, one of Canada's railroads confirmed there was in existence as early as May 1993 an extreme car shortage affecting its ability to supply cars. To be sure the terrible situation we find ourselves in today was not without warning.

What did the railroads do? They chose to chase business in the United States without first making sure they had enough cars to handle the Canadian grain requirements. That makes money for the railways but it certainly left the western agriculture community high and dry.

Under the Western Grain Transportation Act brought in by the previous Liberal government the railways are supposed to be subject to sanctions if they do not meet targets for unloading grain at Canadian ports.

However, this recourse proved useless when the senior grain transportation committee decided not to pursue those sanctions. I wonder why. Who sits on that senior grain transportation committee and whose best interests do they have at stake? Apparently it is not farmers.

I look at the people on that agency: They represent elevator companies, terminal operators, the railways, everybody but farmers. An article in the *Western Producer* states that elevators shipped the wrong grain to the port of Vancouver just recently. Why? They have all the stats and all the figures on trade at their fingertips. They know what they need. Is the system so inefficient that they cannot even load the proper grain?

Mr. Minister, I hope you look into that because it seems ludicrous. It almost seems as if there is a conspiracy to shut the system down.

William Stinson, chairman and chief executive of Canadian Pacific Ltd. received a \$448,000 bonus for losing less money than the previous year. CP is trying to negotiate with two unions right now and is asking for cuts and labour deterrents so they will not go on strike, but this gentleman is given an extra half a million dollars for losing \$2 billion. How does he expect to get a settlement with his unions?

It is imperative that the government start to look at these issues and address them. One of these days we are going to have a civil war if this is the system we are going to allow to go on. A million and a half dollars for management and 50 cents an hour for the workers. Is that fair, Mr. Minister?

(1145)

The Acting Speaker (Mr. Kilger): I was just wondering. For one moment I thought maybe I had been forgotten.

Mr. Hoepfner: Well, you know—

The Acting Speaker (Mr. Kilger): One moment, please. We can only speak one at a time. While I am standing I would suggest that the member take a moment to sit down. I know people feel very strongly about all issues and this one is no different from any other we debate on the floor of this House. But I must encourage the member and I must ask the member to direct his comments through the Chair.

Mr. Hoepfner: I apologize for that, Mr. Speaker. Seeing the minister was so impressed with the farm issues, it got to my heart. I hope to simmer down a bit.

The railways are required by law to move these grains according to the Western Grain Transportation Act. Why do we not see them doing it? It amazes me when I see stats that the turnaround on a hopper car today is actually a little longer than was required in 1923. Is this today's modern system that is supposed to help farmers survive?

With the negotiations having gone on for over a year, this government failed to pass legislation to order the west coast strikers back to work. We lost 12 days. Not only that, I was told that during the Easter holidays there was again a four day shutdown. There are 40 ships sitting in Vancouver drawing demurrage charges on grain that cannot be shipped. When is this government going to take action on this?

That has dealt a tremendous blow to the farm sector in western Canada. Shipping \$100 a tonne feed wheat to the U.S. which takes twice as long as putting a car to Vancouver with \$500 a tonne canola just does not seem to make sense. When are we going to get the right type of direction from some of our farm organizations or our government to solve these problems? Farmers need that cash to put in another crop. Farm programs cannot look after all these requirements. We have to ship that grain. We have to get our money out of that grain. I appreciate that the hon. minister is listening and I hope that something can be done about it.

The other serious issue coming out of this whole system of not delivering grain is the lost sales. Japan today is encouraging Australian farmers to plant more canola because the Canadian system cannot deliver the product after it is grown. How long can our economy continue to exist in western Canada if we do

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not start supporting the farmer who produces more efficiently every year and then is not allowed to sell to get the funds out of it?

It amazes me sometimes what modernization, with all the computer technology and the efficiencies we have built into our systems, has done to us. I will give one little example of an experience I had. This is not with grain transportation.

Being a farmer I like to save as much money as I can because I know I will need it. Just before I came back to Ottawa two months ago, I got a telephone bill for \$27.65. I wrote the cheque for the due date on the bill. I said to my wife: "Would you please drop it off at the telephone office so it is there directly and I can save myself the 45 cents".

Lo and behold, a month later I got a returned cheque with a notice on it saying "insufficient funds", charging me a \$15 service charge for a \$27 telephone bill. It is a provincial utility. I went to see the banker, furious as can be. I have never had less than \$2,000 in that bank account.

(1150)

Somebody had punched the wrong figure and it showed there were insufficient funds. To hide their mistake, they wrote out a little slip which said: "Due to insufficient funds". It took me a month and probably \$30 worth of telephone calls to find out where the problem was. Is this progress?

I said to my wife: "I know what I am going to do with the next telephone bill. I am going to put a stamp on it, mail it in Morden because it will take the postal service at least six months to figure out it is supposed to be delivered to Morden. It will travel all across Canada. They will cut off my telephone before I get back. Then at least I will have peace and quiet this summer with Stats Canada phoning me every month wanting to know how much grain I have left in my bins". There is a way of getting around this system, but how long can we continue to do it?

I apologize for the problems I caused you, Mr. Speaker. Forgive me. I hope the hon. minister does listen to this.

[*Translation*]

Mr. Jean-Paul Marchand (Québec-Est): Mr. Speaker, I fully agree with what the hon. member for Lisgar—Marquette said.

[*English*]

I agree with the criticisms he made regarding agriculture and those he addressed to the Minister of Finance.

The Minister of Finance underlined the fact that Agriculture Canada is in the process of consulting with farmers. Again, it is a delay tactic. The farmers know what they want but this government does not deliver.

In the GATT negotiation for example, the farmers wanted to maintain article XI but the government did not deliver. When it comes to grain transportation, again it is a crying problem in the west. There are incredible delays but the government does not deliver.

There may be ways to improve delivery of grain via the St. Lawrence seaway, but that is not being taken advantage of. The minister of agriculture has gone to Korea and China to sell more grain but my goodness, if we cannot get the grain out of Canada now when we have surpluses and markets across the globe that we are losing because of our inefficient system, why go to China to sell more grain?

We have a great deal of programs to improve in Canada. The member for Lisgar—Marquette certainly does have reason to criticize this government in its lack of initiative in setting up better programs to serve farmers in this country.

Mr. Hoepfner: Mr. Speaker, I would like to point out a report that was given to the Standing Committee on Agriculture and Agri-Food the other day to back up some of my figures, just kind of arguing the point with the hon. member about going through Thunder Bay.

When we had the PSAC witnesses on grain transportation, they pointed out to us that in a two week period of officially weighing grain which is done for Agriculture Canada, it was detected that 341 rail cars would have gone through the system with the wrong car numbers, putting the wrong grain to the wrong customer. One hundred and sixty-nine had the wrong initials on them, bringing the total to 510 cars in two weeks that they had to correct.

In the same period, there were 26 mixes between different railways, 45 mixes that were prevented by weighers and assistants. Grain was left in receiving hoppers 10 times, 12 spills, overweight as much as 25 tonnes on a boxcar or on a hopper car or underweight in some cases.

The total was 1,173 cars that were under the wrong procedure in two weeks out of a total shipment of 13,000 cars. Almost 10 per cent of the cars that were directed to Thunder Bay had been marked incorrectly by elevator companies. How can you have a system deliver our grain under those circumstances?

(1155)

This is why I say we have a disaster. We have a calamity in the transportation system. If this government does not correct some of those problems we will never be able to survive on the farms by becoming more efficient and producing more. It is senseless.

Mr. Allan Kerpan (Moose Jaw—Lake Centre): Mr. Speaker, I open with the question that I hear most in my riding of Moose Jaw—Lake Centre. Farmers ask me why they have not heard anything about agriculture from Ottawa through the newspapers or on television. I have to be honest and tell them we are not talking about agriculture in Ottawa. Sometimes it is very

difficult for me, being a farmer, to admit that we are not talking or spending very much time on agriculture. That is the question I hear most often in my riding.

I want to talk about two subjects today, safety nets and the farm debt problem.

First, in many cases over the past years we have seen safety nets that have been ill conceived, open to abuse, and poorly planned. I do not believe there is a farmer in this country who wants federal or provincial government agriculture subsidies. All farmers want is a reasonable chance to make some sort of decent living in this country. I do not care which part of Canada they come from.

We have been in the situation over the past number of years where we have been looking at world trade problems, weather related problems and various other problems. That has shifted the focus in many areas so governments have been trying to give financial aid to farmers in poorly planned ways.

We have had safety net programs for many years. We have had GRIP, crop insurance, FSAM, the grain stabilization program, and any number of ad hoc programs, as many as we all care to remember.

We have spent billions of taxpayers' dollars on agriculture subsidies, and yet I still see farmers in Saskatchewan, and I know this is true right across this country, who are losing their farms. I ask myself how we justify spending billions upon billions of dollars and whether there is any effect or any good reason to pour dollars into farm subsidies when there is no reasonable chance of hope for success.

In most cases the programs we have seen are open to abuse. They encourage very poor farming practices. They lack continuity. As I mentioned before, we have jumped in and out of all sorts of different farm programs on almost a yearly basis.

That is generally the problem I see with those kinds of programs. In all cases they are bureaucratic programs, developed by bureaucrats for bureaucrats. They have done very little talking to farmers, listening and hearing what farmers are saying across this country. That is something we need to change. That is the area we need to move to.

As I have said many, many times, farmers are the people who know what programs will work and what programs will not work. They know what is the best way to market their grain. In many cases they know the best way to transport their grain.

I am not being particularly critical of this government. It has been governments of all stripes in the past. We have seen it from all governments.

Supply

I generally like the idea of the whole farm concept of some sort of farm insurance. The concept is realistic. The question I have is, what process will be used to develop this program? Will it be bureaucrats again, as we have seen so many times in the past, or will it be consultation with farmers? If it is consultation with farmers in the grassroots area, I am all for that.

(1200)

I just returned from a meeting of the standing committee on agriculture this morning and we had a group of people in from the Saskatchewan Association of Rural Municipalities. They did a provincial summary in Saskatchewan last year listing some of the problems they see with the GRIP and the NISA program.

I will quote the report: "Declining support levels, premiums are too high, not bankable, lack of producer consultation, payment processes too long".

When they talk about NISA they say it is too complicated, the forms are too lengthy, it is poorly administered. They do not trust government with their money; it does not cover all agriculture income and is not suitable for young farmers.

Those are some of the comments the farmers in Saskatchewan are making to groups in Saskatchewan, the problems they have with farm safety net programs.

The second area I want to spend a couple of minutes on is the farm debt problem. In Saskatchewan we have over \$5 billion in farm debt. That is Saskatchewan only. In the rural municipality of Craik which is very close to mine, over 50 per cent of the farmers have gone through the farm debt review process. In other words, they have been in serious financial difficulty.

The largest municipal taxpayer in Saskatchewan is the Farm Credit Corporation and the second highest taxpayers are the chartered banks. That gives an indication, a bit of background to the kinds of problems and how serious the debt problem is in this country.

A few years ago we were all witness and subject to many different farm rallies, most of which were held in western Canada, because of the farm debt crisis. We have not seen many of those in the past year or 18 months.

People will say that perhaps the farm debt crisis is over, perhaps it is no longer a problem. We see that cattle prices have gone up. We see that prices for special grains have gone up. Perhaps the crisis is over. I do not believe that.

I believe that the debt crisis is still there and it is still as big as it was before. I think the difference now is that farmers in this country have come to realize if they are going to solve the problems of debt, the problems of marketing and so on and so forth, they will have to do it themselves.

Farmers have to take the initiative to help solve their problems. They are no longer looking for government support the

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way they did five or perhaps ten years ago. They realize the way to solutions is to open up the process and let them handle their own problems.

I believe farmers have decided they will take matters into their own hands. That is why we see things such as the huge influx of new crops in our country, specialty crops, crops that we would not have believed we would grow five or ten years ago. We are now growing them. We see a great increase in the cattle industry. We see value added industry. In my own riding we have a good number of various value added industries that are going to be successful because they are farmer owned, they are farmer controlled and they do not depend on government subsidy.

We see a huge increase in off farm jobs, off farm income. A recent survey in Saskatchewan said that as high as 50 per cent of the farmers in Saskatchewan have off farm income. I often humorously say as a farmer that my wife teaches school to support my farming habit. It is a fact of life out there. It is just the way it is. I think that is good. People are starting to realize they have to take matters into their own hands.

I want to spend just a minute talking about the Farm Credit Corporation. It has a new lend-lease program, initiated this year. The comments I have received from my riding, the initial comments, are that it is a good program. Some of the negative comments might be that the term of six years is probably too short and should be increased to 10 years.

The other comment I get about the Farm Credit Corporation which I want to finish with is that it has been very difficult, very bureaucratic to deal with in its history. Many farmers in my area have turned back their land or voluntarily transferred it back to the Farm Credit Corporation over the past few years and it has been very difficult negotiating, coming to terms.

In conclusion, I would like to say that farmers are now preparing for their spring seeding. Right across this country they are busy. They are on their tractors. They are listening to the radio. I think more than anything else they would like to hear on their radios as they are working this spring that there are some specifics, that somebody will stand up and say this is the program, these are the details. That is what they want to hear.

(1205)

I believe that agri-policy must be developed by farmers for farmers. There is no other way in this country that we can solve some of the problems we face in our industry other than by full consultations with farmers.

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food): Mr. Speaker, I take note of the comments the hon. member and his colleague made in the last few minutes.

I would like to assure the previous speaker that as far as the whole farm and the safety net program are concerned we do have a 17 person national committee. By far the majority of people on that are farmers from across Canada. I do not think anyone can say that in the development of the whole farm program in Canada the farmers do not have a voice. We are consulting. I do not know how we could consult any more on those types of things.

In response to the speaker just before him, I would like to announce to the House we know in government that we do have a lot of problems at the present time with grain handling in western Canada.

A number of us have spoken to the minister in China this morning. The minister has asked me to announce that tomorrow he will be inviting a number of key people from the grain industry to meet with him immediately, as quickly as the date can be arranged upon his return from China, to talk about all those issues, all those problems and all of those challenges in the grain handling situation in western Canada.

I hope the opposition will be pleased with that and will have input for us as members on that matter.

Mr. Kerpan: Mr. Speaker, I am obviously well aware of the national committee on the safety net programs. I do applaud the government. I do believe there are some very fine people on that committee.

However, by the same token and having said that, I also believe we have to take it one step further. We have to have full consultation with every farmer in this country. That has been the problem in the past. We have had a select group. They have been good people but they cannot always get the feeling of what each individual grassroots farmer wants. We have to have the process and take it right to the end. That is the way we will find success in the program.

Mr. Jean-Paul Marchand (Québec-Est): Mr. Speaker, in response to the MP for Moose Jaw—Lake Centre, he made a lot of good comments which I applaud.

For example, the problem with newspapers, information in the media in terms of agriculture, is big. It is probably one of the elements we so quickly ignore or forget. There are not enough specialized newspaper people dealing with the issue of agriculture. Maybe it is because agriculture is not as sexy an issue. In spite of the fact there is a lot of sex in agriculture, it is not sexy enough to really draw a lot of attention.

The people from the west should at least be reassured by the fact that there are a lot of newspapers and newspaper reporters covering agriculture in the west, in Quebec and in the east. The fact is they have decreased considerably over the past few years.

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In the case of farm debt in Quebec, it is quite high and quite serious. In terms of revenues as well, the percentage of farmers who have to have revenue outside of the farm is quite high.

As a last comment about the bureaucrats in Agriculture Canada, my goodness there are too many who are not farmers. The Minister of Agriculture and Agri-Food is not a farmer. The deputy minister and a lot of the other deputy ministers are not farmers. One suggestion I would make to at least resolve the problem of bureaucrats in Agriculture Canada would be to make sure that over 50 per cent if not 75 per cent of the people who work in Agriculture Canada are farmers.

Mr. Kerpan: Mr. Speaker, I want to very briefly state that I think the hon. member has a valid point in the fact that in many cases farmers in Quebec certainly do not understand the western Canadian agriculture and vice versa. I do not think there is any question about that.

(1210)

The media does play a very important role in our industry. We certainly have enough media in our part of the world but, as I mentioned before, sometimes it is misunderstood between regions.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I will be brief.

My colleague and neighbouring member for Moose Jaw—Lake Centre referred to safety net programs and the ongoing problem. I am hearing in my riding of Kindersley—Lloydminster that in spite of all this consultation there is not the foggiest idea of what program will be replacing GRIP which is currently being discontinued.

I wonder if the member has had the same problem in his riding.

Mr. Kerpan: Mr. Speaker, absolutely. There is no question. Given the fact that Saskatchewan will be opting out of GRIP after this year, we are in a very short time span. By next spring, one year from now, it is imperative to people in my province that we develop something that will work. Certainly that is a major concern.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, I am very happy to speak today on the agricultural sector and to debate the motion of my colleague, the Official Opposition critic on agriculture.

I had the opportunity and the honour to work for a long time for the farmers of Quebec and I can tell you that, since 1986 in particular, the significant changes occurring throughout the world, the GATT negotiations, North American free trade, et cetera, have occupied a lot of their thoughts and forced them to act in co-operation to deal with these changes.

They know where they want to go and what they, their partners and governments should aim for. All that is left to do is make the federal government move toward the clearly expressed goals they set for themselves.

In February 1991, when the Farmers Union started a reflection process called the rural summit conference—incidentally, I want to pay tribute to Jacques Proulx, who until very recently was president of the Farmers Union. He acted as a great leader in involving not only agri-food partners but also rural partners in this wonderful rural summit conference. Today I pay tribute to this great leader, Jacques Proulx, former president of the Farmers Union.

What resulted from this? A strong desire on the part of farmers and all rural stakeholders to take control of their own destiny.

They talked about co-operation between local and regional partners, about protecting and renewing rural resources, and especially about redistributing political powers from the top down.

What does this mean? It means a modern day approach to managing agricultural and rural development policies. It means decentralization, a word the people opposite do not know and have never recognized, for better efficiency.

This exercise continued at the Trois-Rivières summit in 1991 where stakeholders in the Quebec agri-food sector met to decide on a number of policies and commitments.

The decisions included, among other initiatives, more research, as well as the transfer of new technologies, as part of a strategy to conquer markets, because we have really developed a liking for conquering new markets and making gains in the context of globalization.

The various players in the agri-food industry also made very firm commitments. Again, under the leadership of Mr. Jacques Proulx, the former UPA president, commitments were made to establish a more efficient link between research, technology transfers and production, as well as better co-ordination of research activities conducted by governments and private sector universities.

Some very serious commitments were made. I am not talking about meaningless speeches such as the one made earlier by the Minister of Finance on behalf of the minister of agriculture. I mean real commitments.

For example, it was decided to approve, upgrade and support human resources training.

(1215)

A commitment was made to ensure the continuity, development and growth of agri-food industries through the identification of particularly promising sectors, not only at the domestic level, but also internationally.

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Several commitments were made and, in particular, it was decided to work hard at readjusting income security programs in the agricultural sector so that they comply not only with NAFTA, but also with GATT.

A commitment was made by all those involved in Quebec's agri-food industry, including farmers, processors, distributors and even exporters, to promote financing and self-reliance of agricultural operations by ensuring the most efficient and inexpensive transfer of farms to the new generation. Indeed, we must not forget that to be productive a farming operation must have a very high capital available as well as very modern equipment. In short, farmers often have to borrow huge amounts of money to be productive and more and more competitive on the national and international markets. To promote and improve programs aimed at encouraging young people to take up farming is another commitment made at the Trois-Rivières summit, which was an historical Summit according to all the key players involved in the Quebec agri-food industry at that time.

From all the considerations, commitments and principles the partners in the Quebec agri-food industry came up with, I developed four avenues that the stakeholders should use and the governments should support.

First, we should promote the autonomy of farming enterprises and processing plants by supporting their efforts and not by taking their places. We should make sure the government, for example, support their efforts to help them adapt to the new market requirements. When we talk about markets, we are talking about the taste of the consumers who are becoming more and more sophisticated and are asking for overprocessed products, what we call high quality, flawless products.

The idea is also to promote the autonomy and performance of enterprises trying to access new international markets. That is the new creed. We cannot simply talk about globalization and let the stakeholders down by saying the free market will take care of things. We must organize and co-ordinate our efforts. The expansion of our farming industry must be based on better co-operation between all those involved in the agri-food sector.

Second, we should consider farmers to be entrepreneurs and support regional entrepreneurship. In order to face the new realities of the 1980s and 1990s like globalization farmers had to get into management in a big way. I say this because I have met quite a few farmers in my time, starting in 1982 when I was with Agriculture Canada and especially between 1986 and 1991 when I was employed by the Union des producteurs agricoles. Agriculture is a high risk sector. It is a sector in which it is very difficult to perform well. Any farmer who wants to make a decent living faces a number of factors that are beyond his control, including often unpredictable weather conditions.

Operating in a high risk sector while also coping with globalization and increased competition from outside Quebec or Canada requires exceptional management skills. I want to pay tribute to our 47,000 farm producers in Quebec for what they do every day, because it is not easy to work for about 14, 15 or 16 hours a day to support a family, and I think we should respect these great artisans of modern farming.

These great artisans also need ongoing professional training because, when we talk about globalization, internationalization and increased competition, these skilled managers must be capable of keeping up with the increased competition, especially since after the signing of the GATT agreements there will be less and less protection at the border in the years to come. In other words, there will be more and more competition from food imports from the United States, Mexico and Latin America generally, from Europe and even from new countries like Ukraine, which at one time was, and may well again become, the world's bread basket. Not Canada but Ukraine is, or at least was, the world's bread basket until 1990, when the bureaucracy did its work, as bureaucracies will do—and we are seeing today in the federal government—and took over and made Ukraine lose its position as the world's bread basket.

(1220)

There is a third option we should explore if we want consistent programs to deal with today's challenges, and that is decentralization.

As I said earlier, there is unanimous support for decentralization in Quebec. When we talk about bringing government closer to the grassroots, this also applies to agriculture. There is a consensus in Quebec that has grown since in 1989 at the annual convention of the Union des producteurs agricoles a resolution was passed by 99.3 per cent of delegates from all over Quebec and from every sector of the agricultural industry that the federal government should cease its involvement in the agricultural sector in Quebec. They said also that we should repatriate all of the levers and budgets, but only after these budgets are redressed and made more equitable.

As my colleague said earlier, the fairness of federal interventions in the area of agriculture is certainly not going to choke the federal government, for it certainly has not during the last 15 years. Federal interventions have always been unfair to Quebec.

Therefore, decentralization and repatriation of powers and public funds in support of the farmers' efforts is a third possibility we must look upon favourably since these elements are not sufficient, given the new realities to which we have to adjust.

The fourth avenue is support for the transition toward sustainable agriculture. Sustainable agriculture will protect and help regenerate the resources used in the production of agricultural goods while at the same time satisfying the advocates of economic performance. Not only is sustainability vital, it is also serves to promote agriculture, as does food quality or safety.

Agriculture in Quebec, as in the rest of Canada for that matter, will be competitive only if we can offer products that are not only as good as those of our trading partners but even better. We must increase support for the trend toward sustainable development that Quebec farmers adopted a couple of years ago; it is not easy for them to go from conventional farming or breeding techniques to increasingly environment friendly methods, but it pays. When it comes to adapting to a new world order, I would say that it is a promotion tool without equal which could rapidly be recognized as such by our trading partners.

I will give, as a recent example of this, the growth hormone called bovine somatotropin, which produces a 15 to 30 per cent increase in milk production, depending on the study. My colleague will correct me if I am wrong but according to the public hearings held by the committee on agriculture, we will get a moratorium, and already American processors have been telling us that if we do not use the bovine somatotropin in the coming year we could benefit from it since it is being used by American producers. Take lactose products for newborns, for example; the use of a growth hormone such as somatotropin can be detrimental to the image of companies such as Global and other firms involved in the manufacture of that kind of product.

Therefore, the payback could be great for Quebec and Canadian dairy farmers, for instance, if their products were more "natural" and retained a healthier image.

(1225)

All the commitments from the agri-food stakeholders in Quebec and across Canada and their boundless dynamism and energy are confronted with the government's lack of action and its laissez faire attitude, as mentioned in the opposition motion.

I listened to the Minister of Finance say a few minutes ago that the government had received everything it wanted from the GATT negotiations. Really, there is no better example of the government's lack of action to help support the growth and development of the agriculture sector in Quebec and Canada than this one. We did not get anything in these negotiations. As soon as the GATT agreement was signed, we were told that Canada had won on all fronts, but it was all a show. The truth is Canada lost section XI(2)(c)(i) of the GATT.

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I repeat, we do not blame the government for losing article XI(2)(c)(i). What we are blaming it for is trying to dupe the farmers of Quebec and Canada by telling them that we have won on all fronts. Over the last six years farmers have become experts in trade negotiations, they are experts on GATT.

Do not insult their intelligence by telling them that we won everything. Please let us show some respect for the farmers of Quebec and Canada. They are willing to adapt; they do it constantly and they have demonstrated their resilience. They will adapt to this new situation, but enough of these triumphant speeches on GATT and agriculture. Canadian negotiators under the direction of the new Liberal government won absolutely nothing.

The same is true for export subsidies for our colleagues, the grain farmers of western Canada. The main objective of the Uruguay round, which started in 1986, was precisely to eliminate export subsidies, the source of many problems in the grain sector since 1978. Instead, we are talking of a 36 per cent reduction in subsidies over the next few years. These subsidies should have been eliminated altogether.

There is another example of this government's lack of action, again in the grain sector. Look at the way the government behaves when faced with threats of American action against durum wheat. Western grain producers, the first producers of the best quality durum wheat in the world, are threatened daily and unfairly with trade retaliation by the Americans. They are not more subsidized than their American counterparts. Policies like the Crow's Nest Pass Agreement relating to western grain transportation are being criticized, while the Americans have the same subsidies for grain transportation on the Mississippi.

Why does this government not defend itself by saying no way, there is a limit? You are telling us that our durum wheat is subsidized, you want to threaten us with export quotas on the U.S. market while you are subsidizing your grain producers perhaps even more than Canadian grain producers. I say perhaps because only a study would demonstrate it.

That too is another example of the inertia of this government toward agriculture in Quebec and Canada.

We can also talk now about bilateral negotiations between Canada and the United States. Admittedly, I am concerned with the new tariffication coming out of the GATT negotiations, one that is supposed to apply to milk and farming industries. The Americans are claiming since the beginning, since December 15 of last year, this new tariffication which will replace import controls under article XI must be subject to the provisions of the North American Free Trade Agreement, which provides for the elimination of tariffs over the next 10 years. Even with a tariff protection of 343 per cent for butter, contrary to what the Minister of Finance was saying, we have gained nothing yet. We

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are still negotiating and the Americans are very tough in these negotiations. Canadian negotiators, led by the present government, have been behaving like pee-wees since the beginning of the trade negotiations.

I see that my time is running out, but I think that I can give a few more examples of inertia.

I look at what is happening in the chicken industry, in the poultry industry in general. The bickering between Quebec and Ontario is destabilizing the industry as a whole and is jeopardizing the normal development of that industry, as well as the implementation of measures allowing it to face world competition. I see the lack of leadership in that issue.

(1230)

The minister of agriculture should show a little more leadership, deal with the matter and act as a conciliator instead of not giving a darn about it and letting people fight.

Mr. Speaker, this is unacceptable and you can understand much better what is meant by government inaction in the agricultural sector.

It is the same thing with all the discussions going on about the new income security programs in the agricultural sector.

I asked the minister of agriculture a number of times, as I pointed out to the Minister of Finance this morning, to show responsibility and to instruct his officials who are negotiating the new income security programs, especially in the horticultural sector, to proceed with the negotiations so that a new income security program can be put in place for market farmers in Quebec and Ontario who agree with that and to stop buying everything senior officials say.

Unfortunately, those people will not show any leadership. They go along with anything senior officials say during negotiations and discussions.

I find that in the present circumstances it is very dangerous to have leaders like that, political leaders who do not take their responsibilities and who show no accountability whatsoever, given the enormous challenges facing the agricultural sector in Quebec and in Canada.

In closing, I wish that in the forthcoming months farmers in Quebec and in Canada will be better served by their federal government because they deserve to be supported for the tremendous efforts they have been making for the past years to meet the challenges of globalization, in particular.

As for Quebec producers, we are proposing to them, through sovereignty, to take up the great challenge they talked about during the discussions held over the past years, that is to give Quebec an agricultural sector that would be strong, environmentally friendly but above all that would provide a living for farmers, men and women, in Quebec and in Canada as well.

We are giving all those farmers, especially those living in Quebec, a chance to take part in the agri-food program of their own country.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am sure that the hon. member for Québec—Est will straighten his colleague out when he gets a chance to talk to him a bit and explain a few facts.

The hon. member for Québec—Est surely knows that the United States of America did not challenge a single tariff established by Canada.

It had until April 15 to do so. I have the list in front of me, page after page of tariffs.

Therefore, this is the final list for agricultural tariffs and not one was challenged by the United States. Did the hon. member opposite know that? According to the comments he made previously, I would say he did not.

Second, the hon. member talked about durum wheat. Does he know that Canada won four times over that issue? If you will allow an expression used in hockey, and we talked about hockey last evening in this House, it is four to nothing. We have won four to nothing.

The United States took us to the GATT and we have won four times to date. If we were successful four times in a row, one need not be a lawyer from Baie-Comeau to understand that we will win a fifth time. The Canadian government is protecting Canadian farmers, it is doing all it can for them. Therefore, to describe the situation in such a way and to refer to sovereignty as a means to end the debate is something else. Members opposite may mix sovereignty with ice cream or with wheat, or even the three together when it suits them, but the truth is a bit different.

We are talking about the loss of article XI of the GATT. I have before me an article published in a francophone paper of my riding and I call upon the hon. member to give an answer to all this.

If what he is saying is true, how does he explain, for instance, that according to some agricultural journals, and I will quote only the title since time is running out: "Despite the loss of article XI of the Gatt, Canadian supply management programs are safe"? I could read one quote after another from agricultural journals stating that our quotas are safe. How does he explain that quotas are protected in the opinion of the agricultural community but not in the opinion of the Bloc Québécois? Could it be that the Bloc members do not support quotas?

(1235)

Mr. Loubier: Mr. Speaker, I will start with the last question because as usual the hon. member for Glengarry—Prescott—Russell has gone too far. He said that in spite of the loss of article XI, supply management sectors would survive, and so forth. I never said they would not. I said: stop deceiving Quebec

producers by saying that you won on all fronts. Producers are now adjusting, and I can assure you that these are very talented and ingenious people. They will adjust. They will get through this rough spot, but I don't think you will in the next election.

We say stop deceiving the producers who know everything there is to know about GATT articles. They know perfectly well that article XI has been replaced by a tariff that will be reduced gradually. It will not be easy to adjust, but they will. Nobody said supply management was dead in the dairy sector and the agricultural industry. You only hear what you want to hear.

I also think we should stop underestimating the intelligence of farm producers regarding another issue raised by the hon. member opposite. In referring to tariffs, we said that today, negotiations were taking place between the United States and Canada, and if the hon. member denies the existence of these negotiations, he is contradicting what was said by his minister of agriculture, his Minister for International Trade, his Minister of Finance and his own Prime Minister.

On December 15, a Canadian task force was appointed by the Prime Minister when the GATT agreement was signed. On the American side, an American task force was appointed by President Clinton to examine the implications of the GATT agreement and the corresponding section of the North American free trade agreement. How do we manage both?

The first thing the Americans said was that NAFTA took precedence over the GATT agreement as far as tariffs were concerned. In other words, the new tariff designed to protect the agriculture and dairy sectors should come under NAFTA, which provides that in ten years' time, tariffs will be phased out. If he does not have the facts, I think he should stop talking nonsense.

Incidentally, last week I was reading a report from the *Prairie Pool* and the *Western Producer* which said the Canadian government should stand firm on the durum wheat issue. These are not my words but those of western producers and editorial writers. If the hon. member thinks we only read about what happens in Quebec, he is wrong. We take our responsibilities as the Official Opposition very seriously, and to us it is clear Canada is not doing its job to protect western grain producers in the case of durum wheat exports to the United States. That is the subject of today's debate. I realize the truth may not be palatable, but above all, I wish the hon. member would stop talking nonsense. When one does not know the facts, one refrains from commenting.

Mr. Jean-Paul Marchand (Québec-Est): Mr. Speaker, it is obvious that the member for Glengarry—Prescott—Russell does not really know the agricultural sector, because when he says that no tariff was disputed, he forgets that negotiations are

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under way right now with the Americans, mostly concerning ice cream and yogurt. That is mainly what these negotiations are about. That is where we will really suffer. They want to reduce tariffs by 200 per cent in these two sectors. It is criminal.

They really do not know what they are talking about. Huge amounts are involved. It amounts to about 14 per cent of the whole industry. If they think they won in the GATT negotiations, why is the Ontario chicken market in a crisis? Why are farmers subject to quotas in a state of panic? They raised their production by 30 per cent. They are at war. They do not respect the Canadian council's recommendations regarding chicken production. Why? Because the federal government did not do its job in the GATT negotiations. Because it did not win. It was able to reach an agreement which seemed very generous for farmers, but when they examine the facts in various fields and sectors such as ice cream, yogurt or poultry, farmers soon realize that there is no real guarantee of good revenues, on the contrary.

(1240)

For the member for Glengarry—Prescott—Russell to maintain that we won at the GATT table and that there is no change considered concerning tariffs in some sectors subject to quotas, I must tell him that I do not agree.

Mr. Loubier: Mr. Speaker, I forgot to mention that negotiations were ongoing on yogurt and ice cream, as my colleague mentioned a few minutes ago. It is a very important sector for Quebec since it absorbs around 48 or 49 per cent of industrial milk, that is to say milk used to make yogurt and ice cream.

On a national level, it is more like 15 per cent. Forty per cent of the total Canadian yogurt production comes from Quebec, that is why this sector is vital for the future of the dairy industry in Quebec. I forgot to mention these negotiations, but I am quite sure that the member for Glengarry—Prescott—Russell did not even know about them.

[English]

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food): Mr. Speaker, it is a pleasure to take part in the debate today. The pleasure will be to try to educate, either in my comments or in answer to the questions afterward, members across the way who obviously do not know the facts about what is going on in agriculture today.

I have read the motion and have commented earlier today. I say to members opposite that in one way I agree with what they are saying in their motion. The agri-food industry is going through some of the most significant changes in 30 years. However, as I said before, those changes are positive. They are challenges. They are offering things to the industry that were never offered to that extent before.

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It is not inertia; it is just the contrary. A tremendous amount of activity is going on. As we go through life there are challenges. We have to prepare ourselves to meet challenges head on, to manage those challenges that come before us. This is a time of opportunity; this is a time of vision.

The government should be commended. I respect and agree with some members opposite who have spoken today about some of the good things the government has been doing in their view. We have only been here for six months. We had to take the hand that was dealt us, as the finance minister said earlier this morning, in the agri-food industry as well as in many other sectors and try to make the best of it.

We are well into the process of taking stock of what is going on. We are consulting constantly with the players, all the stakeholders. I remind members of the House and anyone who might be watching today about the size of the agri-food sector in Canada. There are 225,000 farms in Canada, plus or minus, depending on the definition of a farm. There are about 425,000 or 430,000 people working on farms.

I remind the House of the title of the department. It is the Ministry of Agriculture and Agri-Food. The agri-food system in Canada employs over 1.5 million Canadians or about 15 per cent of the Canadian working population.

When we look at its value, the \$10.5 billion in input costs of primary producers or farmers each year to start the system evolve into about \$13.5 billion in exports of either bulk or processed agri-food products. In addition Canadians spend at the purchasing or retail level. This does not include the cost of a restaurant meal but the cost of the food that the restaurant operator will buy. That \$10.5 billion of input that primary producers make each year multiplies to over a \$70 billion agri-food industry in Canada. In terms sometimes used in agriculture, that is no small potatoes. That is a big industry.

(1245)

I have been involved in the agri-food industry all of my life. At no time have I seen a coming together of the players in the agri-food industry like we in this government have been able to make happen in the short time we have been here.

We are bringing this with a tremendous amount of co-operation, and a tremendous amount of reflection around the situations that are there today. They are coming around the table. They are sitting down together to talk about how we in the industry, everybody, all the stakeholders, can collectively do what needs to be done so that we are all successful as we go down the road.

I wanted to make those comments. As well, I want to congratulate those in the agri-food sector for the way they are

meeting these challenges. As has been outlined by some other speakers today, it is not easy. It is not easy in any sector in today's economy.

It is not easy in the agri-food sector as well, whether one is out there today seeding, whether one is out there with one's livestock or whether one is further along as a further processor or wholesaler or retailer or whatever.

It is not easy but they are meeting those challenges. That is because that industry is made up of people who are very capable, highly educated, very well trained in the use and management of technology and use and management in general, in marketing, et cetera.

I praise them and congratulate them. We look forward in the ministry and in this government to continuing to work with those people to meet those challenges. I want to also remind everyone today we in government realize that we are an exporting nation. Agriculture for every dollar, that is farm gate dollar we talk about, about 46 to 50 cents of that in the end is derived from export.

It is important that as a government we have taken the initiatives we have concerning the trade opportunities out there for us. We know this government was involved in the GATT deal in the last seven weeks of what turned out to be a seven year round of negotiations which was supposed to be completed in four.

We also found that maybe the previous government had not been forthright with the industry in telling it about 24 months before we got there as a straightforward and straight shooting government that many of the supporters for supply management had long left the table. The previous government had not explained that as forthrightly as it could have to Canadians and to the industry.

We had a choice. We made the responsible choice. We could have walked away from the table and let the rest of the world shape the destiny of the Canadian dairy, egg and poultry industry, but that was not the responsible way to go. We took the choice of sitting down and making the best deal we possibly could.

We made a deal. Yes, it is tariffication. There is no deal, whether it is a GATT deal or whether it is a contract to do something else, with which everybody walks away from the table happier. Yes, we would like to have had an article XI that was there and firm, but I issue this challenge to everyone: If we had got that strengthened and clarified article XI, whatever that might have been, I would also think we would have to be honest enough to say that it too probably would have been challenged down the road.

As we go about in the world today, we know the advantages of freer trade in the world. We have been successful in putting in tremendous amounts of protection for the dairy, egg and poultry industry that still and by the year 2001 will have tariff levels at 85 per cent of where they are at the present time.

That is only a reduction of 2.5 per cent per year for the six years after the GATT deal is implemented, be that January 1, 1995 or July 1, 1995. That decision has not yet been made.

(1250)

Nowhere did we work as diligently than on that trade issue. Without question we got the best deal we possibly could for Canadian producers because as I said before fundamentally we are a trading nation. On those negotiations and even now on the negotiations on some bilateral issues with the United States we have put forward our position very vigorously.

In the bilaterals with the United States that include wheat and a few other products there will be—and we promise this to the Canadian producers and to Canada totally—no deal unless it is a good deal for Canada. That means a good deal for the grain sector, a good deal for the processing sectors and for the supply managed sectors.

We will not trade off one sector against another as some people think we should. We say we will not because we should not. There is no reason. We are negotiating and talking about different issues at the table, but we are not talking about them interconnecting with each other.

We have been steadfast and strong on our position. This is emphasized by the fact that these bilaterals have been going on now for many months. There have been three face to face meetings and many meetings with officials in conversations over the telephone by the ministers, the minister with the secretary of state for agriculture in the United States, and we have stood firm and we will continue to stand firm on those.

With the trade agreements that we have, especially with the GATT agreement, we now have a set of trade rules that all countries will have to abide by. We have the World Trade Organization that we can go back to, any country can go back to if it thinks it is being mistreated or mishandled or accused of something by another country. One must never be so naive as to think that challenges will not continue to arise.

When we think someone is not treating Canada properly we will use the measures available to us to challenge that and to question that. We also have to recognize that the reverse may very well be true.

As the member for Glengarry—Prescott—Russell just outlined, in the durum wheat issue with the United States the score is four to zero. As we speak today the International Trade

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Commission in the United States is having another hearing on that and we are confident it will be five to zero when this is over.

What we are doing here in Canada is playing fair. We are following the rules. We have been playing fair. We continue to play fair and we will continue to win as we play with those fair trade rules.

We recognize as well that we just cannot focus. It is very important because if the primary producer is not economically viable its chain is not going to pull. If the processor is not economically viable, if the further processor, the wholesaler and the retailer are not economically viable, we recognize that the chain will not pull. We know full well that in all those different stakeholder areas in the sector the efficient producer, the efficient operator, must be economically viable for the sector to be successful.

In light of that, if I could refer to the supply managed sector, the opposition today is saying there is inertia, inaction. That is far from the case. The minister of agriculture has given me the opportunity to lead a task force in that industry. Some of the opposition members are saying today that the stakeholders are not involved which is far from the case.

In the supply managed sectors we have put in place five commodity committees made up of primary producers, processors, grocery products manufacturers, further processors, all of the stakeholders. We first put together the list of the issues and the process is in place to deal with them. Now those people who work in that industry every day, not bureaucrats, are sitting down together and deciding how we can best take advantage of the opportunities that are now before us under the new rules of GATT and under the new trade rules we have.

I do not know what more could be asked than to have that type of participation.

(1255)

We have made great strides as well in meeting the challenge the ministers have put forward, provincial and federal. As far as knocking down interprovincial trade barriers, we know that is a tremendous challenge. It is just like everything else. Too often people agree with it in principle and then when it comes time to do something the walls start going up. We have to knock those walls down.

We have to meet the challenge and we are forging ahead in many different areas to meet the challenges as far as \$20 billion of export trade by the year 2000. The industry collectively with federal and provincial governments says we can do that and is welcoming the challenge.

As far as the inertia some people talk about, obviously they do not know and should become more aware of what is going on in this government. They need to do a little more reading. They need to follow a little closer.

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I have talked about supply management. I have talked about the bilateral discussions with the United States. I announced a few minutes ago in the House, and I will comment on it again, that some of us have been talking with the minister in China this morning. We fully realize, could I say, the confusion and the problems and the challenges in the western grain movement at the present time.

The minister will be officially announcing tomorrow that he will be bringing together as soon as he possible can on his return from Asia a small group of key players in the western grain sector. They will put their heads together around the table and see what they can do to fix those problems out there and will then go on from there to look at all of the issues out there in the western grain industry, the Canadian grain industry. It is not just a western problem. It has come to a head in the western area right now, but it is a problem right across the country which we recognize.

We have made some changes already according to our platform. We have announced some changes in the Farm Credit Corporation. We have probably made more strides with pesticide regulation and the registration process in the last 60 days than the previous government did between the time it tabled that study in December 1990 until fortunately it was replaced here in Ottawa with the present government.

As well, we have placed some extra people in trade office positions around the world, namely in Mexico, Japan and Taiwan, and they are giving us good results. We have established a new branch in the department called the market and industry branch to work with producers, producers groups, processors and the industry as we go about the world with the new opportunities and challenges to market further processed products.

We have been fairly successful, but not as successful as we might like to have been in Canada in the past by selling bulk products. The way we have to go now to create the jobs and to take advantage of value added is to value add and further process those here.

The minister, as we know, is spending a number of days in Korea, Hong Kong and China not only talking about grain but about beef, dairy and pork, reaffirming the connections and the strategic alliances we have there. We know, and this is straight from the World Bank, that it is saying between now and the year 2000, 50 per cent of the increase in world trade, including agricultural trade, will take place in that part of the world.

That is not very long, between 1995 and the year 2000, 50 per cent of the increase. That is because 50 per cent of the increase in the wealth in the world is going to take place in that area and we need to be there. We are working with everybody in the industry in order to collectively take advantage of that.

One of the goals and the platforms this government ran on last fall which we will fulfil is the agri-food industry. We want to ensure financial security. We want to ensure food safety for Canadians. We want to reassure Canadians that we will maintain

and improve the sustainability of the resources that mean so much to all of us. We will do that by having adaptation and development programs and consultation processes with everybody in the industry. We will promote that growth through market responsiveness and value added initiatives. I am proud to say that we will do that while at the same time maintaining fiscal responsibility.

(1300)

I am going to close with one comment that I always like to close with and remind people of. Yes, we have a lot of important sectors in the Canadian economy. Maybe it is because I was born and brought up on a farm and maybe it is because after my family my first love is the agri-food industry, but I want to remind everybody in Canada and remind this House—and we, the minister and the department are fully aware of that—as goes agriculture so goes the economy of any country.

We are going to make sure, with the co-operation of everybody, that agriculture goes well and therefore the economy of this country will go well as a result of that.

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, I will be brief to the hon. parliamentary secretary. You mentioned the breaking down of interprovincial trade—

The Acting Speaker (Mr. Kilger): I just want to remind members to direct their questions through the Chair.

Mr. Harris: I apologize, Mr. Speaker.

Could the hon. member specifically and briefly give me a couple of examples of interprovincial trade barriers that the government is working on that would begin to allow western producers to have access to the Ontario and Quebec markets? Are there one or two specific trade barriers he is working on at the present time that would allow that?

Mr. Vanclief: Mr. Speaker, because a number of these are in the negotiation area and because, as I said, it seems to be a delicate area that everybody agrees with in principle, when the ministers get together they talk about different things.

The last time the federal and provincial ministers met together they gave the officials very firm instructions. I had the opportunity to be at that meeting. There were very firm instructions to get together again and to continue their meetings with each other to find some of those initial ones where we can start to show that type of activity can work.

There has been some work done and some successes as far as honey and some different things in the last few years. However there are more major ones that I know we need to look at, unfortunately not only in agriculture. We have too many trade barriers between provinces. It seems that the will is there now and the recognition is there more than ever. I guess like anything else, the first thing you have to do to conquer something is to recognize that you have a problem. I think there is more recognition now than there ever has been and that is a big first step.

*Supply**[Translation]*

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, I agree with the government member that, in final analysis, the energy that exists in the agricultural sector must come from its leadership.

However, it is well known that the problems do not come from farmers, they come from the inability of the government to defend them. It could not protect article XI and similarly, protectionism is disappearing. The only argument I was given at the Bélanger-Campeau Commission by the person who is now Minister of Foreign Affairs was the Canadian system will protect milk production in Quebec, but if you leave Canada you will lose this protection.

This argument is no longer appropriate, because we now are in a much larger market. Does the hon. member not agree that in the North American economy, in the Canadian economy, eastern and western agricultures have interests so different that trying to defend them simultaneously brings about important problems and situations almost impossible to reconcile? I will give an example. In lamb production there were rules to control disease. In my riding a sheep farmer had a problem because of a disease in his flock.

(1305)

Previously, stricken animals were slaughtered and that was the end of the problem. Now, under pressure from the Americans, we have changed our procedure. We do not slaughter the animals anymore, because they have such large herds out West that the Americans insisted we change our procedure. In Quebec where the herds are small, we must abide by nation-wide guidelines which are not realistic for small flocks of pure bred sheep.

We thus place in opposition eastern and western farmers even though in this case it was not just to please western farmers, it was under pressure from the Americans, and this is a problem for Quebec.

I took this example to show that in the future the interests of Quebec farmers and those of Canadian farmers will be difficult to reconcile. Our interests are different and in the past we have often been on the losing end. I think that in the near future Quebec farmers are going to make a choice that will allow them to work out more concrete solutions in the larger economic market we now have.

[English]

Mr. Vanclief: Mr. Speaker, with regard to the specific example of lamb producers the hon. member is referring to, I am not familiar with that. I would be interested if he would explain and chat with me about that. My guess is there is more to what is

being said. I am not accusing the member of not giving the whole story.

I can give the example of what we in Agriculture Canada did for our industries when we found the—and I cannot get my tongue around the big full name—the mad cow disease. When one cow died in Alberta last year because of that we sought out and destroyed all of the animals from coast to coast in this country that we thought ever had a chance of coming in contact with it. We did that in order to protect the beef industry, and I am sure we will take similar actions as far as the lamb industry is concerned. I would be interested to follow that up.

As far as the protectionism in article XI, I just do not buy that. There are concerns. I ask the member to consider this: If the dairy industry and dairy producers are so concerned about their future, I would ask him why they are paying more as far as purchasing quota to have the opportunity for the right to produce. I simply cannot understand if somebody is convinced in their mind, as they are, that the industry is going some place in a hand cart why so many people want to be in the cart.

It is very interesting. When we talk to producers, the dairy farmers of Canada, we find it did not go exactly the way everybody wanted it to go. We look at the level of protection, the very slow rate.

What we have in the supply managed sector for the next six or seven years is the opportunity to prepare to meet the challenges of the market, the challenges of that very, very slow rate of reduction. I remind members opposite that even in the year 2001 the tariff rate protection for all of those will still be very close to, if not over, 200 per cent.

[Translation]

Mr. Jean-Paul Marchand (Québec—Est): Mr. Speaker, this government is indeed lacking in leadership. That is very obvious because there has been lots of talk since this morning, and even some mistakes made by certain members, including the hon. member for Glengarry—Prescott—Russell.

The parliamentary secretary to the minister of agriculture has just told us that the government is doing the best it can, in spite of the split among farmers. However, even when farmers agree completely with consumers, as is the case with bovine somatotropin, what does the government do? What action has the government taken in response to a unanimous recommendation from the Agriculture Committee with which some members of this House are quite familiar?

(1310)

I would like to ask this question of the parliamentary secretary to the minister of agriculture. What is the government doing? Does it plan to comply with the agriculture committee's recommendation that a one-year moratorium be imposed on the sale of this hormone, a move which is endorsed by all farm agencies in Canada and by all consumer organizations?

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Mr. Boudria: Yes.

Mr. Marchand: As usual, the member for Glengarry—Prescott—Russell is uninformed. Therefore, I will put the question to the parliamentary secretary to the minister of agriculture.

[*English*]

Mr. Vanclief: Mr. Speaker, I challenge the member opposite to have a one to one debate on agriculture sometime with the member for Glengarry—Prescott—Russell. I would suggest that he be very well prepared before he enters into that debate.

As far as the government's response to the recommendations of the Standing Committee on Agriculture and Agri-Food regarding the bovine growth hormone or BST or whatever term you want to use—we know the product he is talking about—the member knows full well because he is a member of that committee and was there I understand when the recommendations were put forward.

The government has 150 days to respond to those recommendations. I know that the government, the officials, the minister and I are already discussing those recommendations. The member can be assured this government will respond well within the 150 days in a very responsible way to the recommendations made to the government by the standing committee.

[*Translation*]

The Acting Speaker (Mr. Kilger): Resuming debate. The hon. member for Beauharnois—Salaberry has the floor. I would ask him to help out the Chair by indicating whether he will share his time or take the full 20 minutes.

Mr. Laurent Lavigne (Beauharnois—Salaberry): Mr. Speaker, I was just about to tell you. We will share our time pursuant to Standing Order 43(2).

I would like to move on to the motion before us today, a motion on agriculture.

The term “lack of action” was mentioned with regard to the government opposite; I totally agree with the notion of “lack of action” and I would like to add another term: inequity.

I think that in the last several years Quebec farmers have been treated inequitably by the Canadian government; that is unacceptable, in my opinion.

I dug out a few figures to support my arguments and to have the word “inequity” included in today's non-confidence motion because, when we look at government spending on agricul-

ture, it is clear that for the federal government agriculture is limited to western Canada.

I will start by giving you an example. In 1980, Quebec was the beneficiary of \$300 million in federal agricultural expenditures, compared with \$1 billion in western Canada.

In 1987 Quebec received \$410 million, compared with over \$4 billion in Western Canada. I think adding the word “inequity” to today's motion would be neither superfluous nor inappropriate.

Another thing I discovered is that Quebec's share of federal spending went from 16.4 per cent in 1980 to only 7.7 per cent in 1987, which amounts to half of Quebec's share of farming revenues in Canada or 15.6 per cent.

On the other hand, western Canada's share of federal agricultural expenditures went from 55 per cent in 1980 to 76 per cent in 1987.

Between 1980 and 1987, Quebec's share fell while Western Canada's increased. It went from 55 per cent in 1980 to 76 per cent in 1987.

Once again, I emphasize the terms “unfairness” and “inequities”, all these expenditures to which Quebecers contributed a big share through their taxes of various kinds; they know very well that the federal government gets a lot from them.

We calculate that about 25 per cent of the taxes collected by the federal government comes from Quebec, which means that this money which Quebecers send to the federal government is redistributed unfairly to our detriment, especially in agriculture.

From 1980 to 1987, federal spending on agriculture increased one sixth as fast in Quebec as in the rest of Canada.

(1315)

During that period federal spending rose by 192 per cent. I am glad that federal spending on agriculture rose by 192 per cent between 1980 and 1987. The federal government thought it was important to increase its spending to help agriculture. I come back to my word “unfairness”, and we will see how this 192 per cent increase in federal spending on agriculture was distributed.

Spending increased 37 per cent in Quebec, compared with 340 per cent in Alberta, 292 per cent in Manitoba and 285 per cent in Saskatchewan. Again I come back to the word “unfairness”. Such glaring differences are outrageous. An increase of 37 per cent in Quebec when Alberta got 340 per cent, Manitoba 292 per cent and Saskatchewan 285 per cent is unacceptable. I repeat that a lot of this money, at least 25 per cent, comes from Quebecers.

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In 1990, the federal government spent almost half, 50 per cent, of its whole agriculture budget on research. I do not know if it is by chance, but most of the agriculture research budget was invested in grain production. We know that more grain has been produced in Quebec in recent years, but nevertheless it only accounts for 6 per cent of all our agricultural production in Quebec. We were shortchanged in the distribution of the research budget of the department of agriculture, considering that the department invested half its budget in research on grain and grain is only 6 per cent of Quebec's agricultural production.

When the time came to do research in three other sectors where Quebec is much more active, namely the dairy, poultry and pork industries, it only contributed 24 per cent. Yet, these industries account for 59 per cent of Quebec's production. Again, you can see the inequity. Ten per cent of the research budget is allocated to the dairy industry, while the production of this sector represents one third of the total. Quebec was also penalized regarding research and development in agriculture, since more than 50 per cent of that budget was spent in western Canada.

Federal government policies unfairly benefit western producers and adversely affect Quebec producers' competitiveness, particularly regarding grain and livestock production, as I just mentioned.

These unfair federal policies force Quebec to make greater financial efforts to support the agricultural industry. Let me explain how, because the province does not get its fair share from the federal government, the Quebec department of agriculture must rely on provincial taxes. In 1987, the Quebec department of agriculture, fisheries and food had to allocate \$569 million to the agricultural sector, whereas the federal government was only contributing \$410 million. In other words, the Quebec government spends more on its agricultural sector than the federal government.

The injustice lies in the fact that Quebecers have contributed a lot more to support agriculture in other provinces than in their own province. In 1987, Quebecers contributed \$1.3 billion to agriculture in the other provinces. We paid for 25 per cent of all federal expenditures in agriculture, which totalled at that time \$5.3 billion, twice the Quebec budget for agriculture. In other words, we use Quebec taxpayers' money to spend \$569 million on our own agricultural industry and to send \$1.3 billion to Ottawa to support other Canadian provinces. That also is unfair. I really want to stress that point. I want to show how utterly unfair Canadian policies were to Quebec policies.

(1320)

There is a double standard in the federal agricultural policy, and I want to give you some examples. Between 1983 and 1987, federal subsidies reached an average of \$32 a tonne for Western

grain, compared to \$12.34 a tonne for Quebec grain. Why \$34 in the west and only \$12 in Quebec? What was that all about? We pay taxes like everyone else. Why do we not get our fair share?

Pursuant to the act, the Canadian Wheat Board must, at the time of delivery, pay to western grain producers an initial payment set and guaranteed by the federal government. If sales revenues do not cover the payments made, the federal government makes up for the deficit. This system resulted in the following: between 1985 and 1988, the federal government spent \$344 million to cover the difference between the sales price asked by the Canadian Wheat Board and the payments made to the producers. We ended up with a \$344 million deficit which the federal government covered with our taxes. The worst of it all is that Quebec grain producers are not eligible for that program. We pay for the rest of the producers, but we are not entitled to these benefits.

In 1991 and 1992, under the western grain stabilization program, western grain producers were guaranteed a net income equivalent to their average income over the five previous years. The federal government paid for three quarters of the contributions for this program, and the producers paid the rest. Western provincial governments did not take part in this program. When came the time to implement the program in Quebec, the federal government asked the province to pay for a third of it. Why did the western provinces not participate in it? Was it strictly between the producers and the federal government? When the time came for Quebec to take advantage of this program, Ottawa told the province that it had to pay for a third of it.

Western grain transportation support is a real scandal. Since 1983, the federal government has been paying an indexed \$658 million every year. In 1991-1992, it paid railroad companies 1.1 billion to transport western grain, whereas Quebec producers were once again not eligible for that program. We pay taxes and with our taxes, the government promotes farm production in the west at the expense of eastern producers. It is in that sense that I would like to add the words "lack of fairness" to the words "lack of action" in our motion. If I had more time, I could give you more examples, but my allotted time is running out.

The Acting Speaker (Mr. Kilger): I am sorry, but the member's allotted time has expired.

[English]

Mr. Wayne Easter (Malpeque): Mr. Speaker, I am surprised at some of the comments from the member on the other side. He is certainly playing with numbers.

One of the principles in the country is that in times of need we share in helping each other out of our difficulties. In terms of the payments to the west, I remind the member that there was an international grain price war. We had an obligation as a country to support western Canada and that is what we did. By the same token, when there were low prices in the hog industry and in the

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beef industry, which is more located in Quebec, the country supported those industries.

The member opposite should understand that one of the programs Quebec benefits from probably more than any other province is the supply management system. Quebec has benefited greatly. Its dairy production is somewhere around 46 per cent to 48 per cent of the total dairy production in the country as a result of our great Canadian supply management program.

I have a question for the member. If his party were successful in moving toward separation, which I do not believe it will be, what would that do to dairy producers in the province of Quebec in terms of the loss of the great Canadian supply management system we operate under?

(1325)

[Translation]

Mr. Lavigne: Mr. Speaker, I could have given you other examples, but I think that the presentation I made just a moment ago clearly showed that the level of Quebec's participation in agricultural tax revenue, taxation money sent to the federal government and reinvested in Canadian agriculture is I repeat, unfair; we realized that numerous programs were unfair.

In reply to my colleague's question, I would say that if Quebec were to separate and become sovereign, we could keep all that money, that is approximately \$28 billion in various taxes sent to Ottawa each year, and redistribute it through our different agricultural programs without being subjected to federal inequity and discrimination. We would then offer our own farmers many very profitable programs. I think, in that case, we could be much more aggressive on the international markets and carve our own niche for milk, poultry, eggs, grains or anything else we would chose to produce in Quebec.

I think there would be no problem whatsoever. On the contrary, sovereignty would solve a problem.

Mr. Réjean Lefebvre (Champlain): Mr. Speaker, I welcome this opportunity to speak the motion denouncing the government's lack of action and its inequity, as the hon. member said.

The government does not seem to have a specific policy for agriculture, especially considering the post-GATT situation. However, in line with the Quebec development model, several years ago the agricultural industry in Quebec started to organize and conduct round table discussions involving all players in the industry.

The *États généraux du monde rural* held in February 1991 in Montreal was attended by all Quebecers involved in regional development and the agri-food industry. This exercise produced a series of guidelines for future action. Here are some examples: letting the agricultural community take charge of its own future; respecting and promoting regional and local values; focussing

on local and regional concertation and co-operation; diversifying the regional economic base; protecting and regenerating resources; and achieving a better balance in political decision-making from the bottom up.

As part of this process of consultation and co-operation, Quebecers in the agricultural industry organized and looked for ways to pool their resources. Round table discussions were organized on a sectorial basis, including the dairy industry, the pork industry, and so forth. At the summit in Trois-Rivières in June 1992, these discussions produced a consensus on what should be done to promote the development of the agri-food industry in Quebec.

The Trois-Rivières summit, an unprecedented exercise for Quebec, produced a series of commitments which included the following: to increase research and technology transfers as part of a strategy for acquiring new markets; to recognize, promote and support the need for human resources training; to guarantee the continued existence, development and growth of agri-food businesses; to revamp existing income security programs based on production costs by emphasizing risk sharing, productivity of farm operations, sustainable development and an awareness of market signals; to develop income security programs compatible with the rules of international trade; to promote the financing and transfer of farm operations in such a way as to prevent massive debt; to consider assistance for non-viable operations that could be reoriented within the industry and help farmers who retire from the industry.

After this consultation process, what the industry needs now is the right vehicle to make the new strategy for agri-food development in Quebec operational.

(1330)

People in the Quebec farm community know what they want. They do not need the federal government to come in and impose policies which do not coincide with the priorities and the paths they have set for themselves. These people want to be able to make the decisions in the areas which concern them.

What we are talking about here is a massive decentralization from top to bottom. Is this something the federal government can offer? Is the government willing to give Quebecers the means to make their projects come true?

The agri-food sector needs a reasonable period of time to reach international competitiveness. Unfortunately, the federal government did not do a very good job of defending Canada's interests and Quebec farmers during the Uruguay round of negotiations under the GATT. It was totally unable to preserve article XI which afforded some protection to egg, poultry and milk producers, concentrated mostly in Quebec. Despite repeated promises by the Liberal government, last December, federal negotiators were not able to rally enough countries to defend and preserve article XI.

Although the present import quotas will be replaced by high tariffs which will gradually diminish over time, the disappearance of article XI will seriously shake the Quebec farming community.

By accepting to sign the GATT agreement, the federal government submits farmers, in Canada and Quebec, to a rate and mode of change imposed from outside by our competitors. The agri-food industry must change very rapidly in order to be able to face the new international competition.

The GATT agreement reduces by 36 per cent the amount used to subsidize exports of farm products. This is a step in the right direction, although it is rather modest. Each year, Canadian and Quebec taxpayers will have to spend hundreds of millions of dollars merely to compete on international markets with heavily subsidized grain exports from the United States and the European Union.

While grain exports remain heavily subsidized, the GATT accords have forced the government to review its overall domestic farm support policies.

Clearly, the agreement negotiated in Geneva on December 15 last was not the best possible deal that the federal government could have obtained for Canadian and Quebec farmers. The biggest threat to the interests of Canadian and Quebec farmers is the outcome of Canada-U.S. trade negotiations in the agricultural sector.

The federal government is being taken for a rough ride by U.S. negotiators over the question of tariffs on products subject to quotas—eggs, poultry and milk—products concentrated primarily in Quebec and Ontario, and over the question of durum wheat, yogurt and ice cream exports to the United States.

Government spending in agriculture does not promote structuring. The government should be evaluating the cost-effectiveness of its actions. Agriculture Canada is now involved in the analysis, organization and dissemination of information on agri-food markets. However, the Auditor General notes that the information collected does not necessarily correspond to user needs. The Department of Agriculture and Agri-Food should strive to develop a closer relationship with its clientele in order to avoid wasting public funds.

The government must further define its action areas to ensure that there is no overlap onto provincial initiatives. In Quebec, industry and government have been working together for several years on implementing various market strategies. Since developing new markets seems to have become a federal government priority, it is essential that Ottawa bear in mind the priorities set by Quebec.

The federal government should contribute financially to the efforts of stakeholders in the Quebec agri-food industry, particularly research and development efforts, to ensure that new market challenges are met.

Supply

(1335)

The idea is not just to spend the taxpayers' money, but to invest it so as to promote industrial restructuring while maintaining the family farm system which is pivotal to Quebec's farm economy.

Producers and processors are working together to develop new markets and adapt their products to consumers' tastes. In the agri-food business, competition is fierce and the industry must react quickly to diversify production, all the while making sure it has access to the best suited technology. This means keeping in step with the rapidly changing technologies used by foreign competition.

The government must do more than make funds available for research and development. It must ensure close co-operation between its departments, the private sector and the research community. We hope the government will take positive steps to make sure the money spent meets the priorities imposed by market developments. Also, when it intervenes, it should be fair and give the same importance, relatively speaking, to each area of the agricultural industry.

One of the best solutions for Quebec farm producers, it seems, would be the decentralization of the decisions making process and related budgets. In a word, it is another good reason for a sovereign Quebec.

[English]

Mr. Wayne Easter (Malpeque): Mr. Speaker, I am pleased to note in the member's speech that he recognizes the benefits of the supply management system that has been designed in the Canadian context.

I again come back to a question I asked his colleague previously. The principle that the program of supply management operates under is basically managing supply to meet effective domestic demand. Given the fact that Quebec has 46 per cent to 48 per cent of the Canadian production, how is the member going to explain to his producers under his proposed separation that they will be able to have in place this system that he so admires?

The member mentioned the trade discussions we are having with the United States. I think we have to recognize that the ministers are taking a tough stance in the interests of all Canadians. I certainly say to the hon. member opposite we on this side would welcome a statement of support from his party in terms of that tough stance our Canadian ministers are taking in those negotiations in all of Canada's interests.

[Translation]

Mr. Lefebvre: Mr. Speaker, I endorse the reply my colleague, Mr. Lavigne, gave our friend opposite. I would like to emphasize that the crux of the problem for the people of Quebec is really inequity because from where we stand we get the impression that the government's attention with regard to the Canadian

Supply

agricultural industry is centred on the western part of the country.

I would also like to mention a few things my colleague did not have the time to mention earlier. Regarding lamb production, Quebec has been unable to keep up with Western Canada, with its livestock increasing by 8 per cent from 1981 to 1991, as compared with 33 per cent in western provinces. Based on all that has been said so far in this debate in this place, I think we have one more reason to become sovereign in Quebec, to get the legislative tools we really need for things to run smoothly in our future country.

Mr. Jean-Paul Marchand (Québec-Est): Mr. Speaker, as for milk production in Quebec, the question was raised—

[*English*]

—at least two times. Of course under the supply management system Quebec has been advantaged in terms of milk production. It is the only advantage in agriculture Quebec has had under the present system.

(1340)

Because of the fact that the federal government has been inept in maintaining article XI, supply management is the thing of the past as the hon. member knows. The farmers in Quebec, organized as they are, better than any other agricultural organization in Canada, are positioned to make such that the milk production will be sold in other countries. We cannot work any more in the supply management sector, only because the federal government has not.

One other thing about inequity in terms of the expenses of the federal government is it is not as though people in Quebec are not generous people. We recognize the principle that when one province is poorer than the other we try to be generous. That is not the issue. The issue is disloyal competition.

This form of inequity which has been going on for decades in Canada has disadvantaged Quebec in a disloyal way. That is to say, in those areas where Quebec has had a marked advantage like in pork production, moneys were being used by the federal government to develop industries competitive to Quebec in other provinces.

That is not a question of simple inequity. It is disloyal competition. That has been one of the problems with the farmers in Quebec.

[*Translation*]

The Acting Speaker (Mr. Kilger): Does the colleague of the hon. member for Québec-Est, the hon. member for Champlain, want to add anything to his colleague's comments before we move on to comments? The hon. member for Champlain has the floor.

Mr. Réjean Lefebvre (Champlain): Mr. Speaker, some members of this House often think that we cannot see beyond Quebec but I think we are able to include western Canada in our discussions. We must, however, point out this great inequity toward Quebec in all areas.

We do not want to sound like whiners but we have discovered so many inequities at Agriculture Canada that it must be pointed out today.

[*English*]

Mr. David Iftody (Provencher): Mr. Speaker, it is with great pleasure that I take this opportunity to speak to the House about the accomplishments of our government with respect to farm income and safety nets.

As a western Canadian representing a large farming community with both supply management and wheat farmers, the debate today is of particular importance. I welcome debate from members of both the Reform Party and the Bloc on these matters.

While the previous government's plan for safety nets was simply a piecemeal approach, our government looks at farm income and safety nets in a much more comprehensive perspective. In our campaign commitments, this government called for the development of a strong whole farm support.

Our approach is based on simple but effective principles. Farmers and their families need a comprehensive set of programs that will provide income security as they move to adjust and take advantage of the new international trading regime and to generate economic growth in rural communities that is badly needed in this country.

Our government wants to provide farming communities with the tools they need to succeed in the years and the century ahead. I am pleased to report to the Chair that our minister is doing an effective job in that regard.

As we all know, the system of safety nets in Canadian agriculture is a tripartite approach involving producers, provinces and the federal government. There is tremendous diversity and need out there.

We recognize there are different needs in Quebec, different needs in Atlantic Canada, different needs even within Manitoba in the northern and southern parts of the province. My hon. friend from the Reform Party for Lisgar—Marquette will attest to that, being a farmer from that area.

The approach taken by the minister is very open and transparent. Soon after the election the minister established a safety net conference for all players to air their views and concerns. This is the approach we want to take with respect to the whole farm support program. We do not want to have one separate program in Quebec, one separate program in British Columbia and one separate program in Prince Edward Island. We are looking at a

comprehensive national approach. We are meeting with Quebec leaders.

(1345)

I want to refer, for example, to the GATT discussions that were raised. Our minister spoke to dairy farmers in Quebec and, if I am not mistaken, received a standing ovation. I also want to say that the Liberal government brought in supply management which benefited Quebec farmers greatly for the past 20 years. On the question of loyalty I think we have been very loyal, very representative and fair in our approach to all farmers.

We want the kind of safety nets that will benefit all the needs of our partners. Taxpayers want programs that are financially sound and transparent. Our objective, therefore, is to develop a whole farm support program which will provide equitable support for all commodities, all producers and all provinces; which will not distort based on market signals; which will not influence production decisions; and which is less vulnerable to trade actions. Certainly people in the wheat industry in western Canada know all about trade actions, particularly those invoked most recently by the U.S.

Farmers have seen tremendous safety net changes in the last five years. Some have been good, and we acknowledge the good work, but others have failed due to hasty implementation and because there was no producer acceptance or understanding. The government is committed to full consultation and agreement on an approach that works.

The accomplishments since the safety net conference clearly show that our comprehensive and consultative approach is working. This is not an easy process. People need to talk through their differences. We acknowledge again that there are differences. The parliamentary secretary acknowledged we have to sit down at the negotiating table to work out these differences in the best interests of all Canadian farmers.

The work of the committee over the next six months will be critical in shaping the industry's economic position. To seize opportunities presented by trade accords and growing international markets we need stability and confidence at home. The importance of this point has been impressed upon us particularly again in western communities because of the possible trade war with the U.S.

Stability does not interfere with our capability to be innovative and market responsive, stability that allows us to preserve our resources, stability that works with fiscal realities.

During the electoral campaign our government promised to reinstate interest free cash advances to strengthen the farm debt review process. The minister is consulting with farm groups and has asked the sector to come up with proposals. This is an important issue.

Supply

In the committee on banking, for example, we have heard from the farming industry of Quebec, Atlantic Canada and western Canada. These farmers tell us that they cannot get access to capital. Young men and women in Canada cannot buy farms, their parents' farms, because the banks are not willing to do business with them. That is why we as a federal government have stepped into the process through agencies such as the Farm Credit Corporation to open up avenues of resources to young Canadian farmers.

The agriculture and agri-food department is currently reviewing the farm debt review board program, along with other programs, to ensure they meet today's needs in the sector. Again I want to emphasize that we are consulting with the people.

Our government is comfortable with the idea that safety nets help industries stabilize income and ensure against risks the banks are not willing to take on the Canadian farming industry. However more money is not necessarily the answer. At home and abroad value added and niche markets represent big bucks for those who seize the opportunities. This is precisely what our industry is trying to do.

The GATT has created new possibilities for the Canadian farming community. I want to respond to my hon. friend's comments about the GATT. Our Minister of Agriculture and Agri-Food stood in the GATT negotiations to fight for the dairy industry. I have dairy farmers in my riding who I know were pleased with the outcome. I also know that tariffication levels almost as high as 300 per cent will protect dairy farmers in Quebec and those in my riding of Provencher.

(1350)

It is obvious the government has accomplished a lot since it took office last fall. When we consider all the players involved in the safety net design, the complexity and the diversity of our agricultural industry, we realize the government is living up to its commitments.

We brought everyone to the table. Our process of developing a new safety net package is on a tight schedule. We want to implement it by 1995. It will be a key item on the agenda for the next federal-provincial meeting of agriculture ministers. Our minister is planning to present it to the House soon after that.

Mr. Jake E. Hoepfner (Lisgar—Marquette): Mr. Speaker, I thank the hon. member for Provencher for his speech. I point out to him that the cash shortages, the financing problems, are severe.

If he had read the *Winnipeg Free Press* last night he would realize that one window manufacturing company in Winnipeg got a \$370,000 interest free grant. This is the kind of money the FCC needs to help farmers solve some of their problems. I would appreciate his attention to that.

Supply

Mr. Iftody: Mr. Speaker, I thank the hon. member for those comments. Although I have not read the *Free Press* to respond accurately to that suggestion, I just want to advise the hon. member that in both his riding of Lisgar—Marquette and my adjacent riding of Provencher the federal government has made a number of investments in terms of the farm community.

He will recall that only two or three weeks ago I had occasion to visit his riding under the PAMWI agreements. I am pleased to report that we made an investment of \$3 million under a tripartite agreement, with the federal government contributing \$1 million out of its agricultural program to the good people of Winkler.

In keeping with the theme of my friends in the Reform Party, the policies of the federal Government of Canada are equitable. If we give something to a window manufacturer in Winnipeg for a tax break, we certainly have given the same opportunities to the people of Winkler, the town in which my hon. friend resides.

[Translation]

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, the hon. member said that efforts have been made since they came to office. Having travelled to the west and being from the east, I can say that they are two different worlds. Lands in the west are much bigger and look very different to easterners, especially to someone from the Gaspé Peninsula. Sons cannot afford to buy their fathers' lands.

In my region of Matapédia, we do not even have our own slaughterhouse; producers have to send their animals 100 or 150 kilometres away. I would like to ask the hon. member what concrete measures, not only plans to review the situation, they have taken since they came to office to help farmers' sons who want to follow in their parents' footsteps. What are you doing to help us slaughter our animals in our own communities instead of 200 or 300 kilometres away?

[English]

Mr. Iftody: Mr. Speaker, I thank the hon. member for his observations and questions. He referred to dairy farmers in his riding and I want to tell him that I have dairy farmers in my riding.

(1355)

I also point out what I think is important for the purposes of his question. The dairy farmers in my riding are concentrated largely in French communities, primarily French speaking communities. The dairy farmers in Provencher, the southern part of my French communities, are very similar to those in his riding. The operations in 1993 are much the same. I would never suggest that the operations in my hon. friend's riding are somewhat further ahead or further behind those in mine.

I point out again that dairy farmers in Canada, including those in the hon. member's riding, have done quite well in the past 20 years under a Liberal program of supply management. Just to provide the hon. member with ongoing assurance, the government will continue to express that loyalty to the people of Quebec, to provide help for them and to stand up for the dairy farmers in Quebec.

On the second point about slaughterhouses, I am working on a similar kind of proposal with my provincial colleagues in the southeast corner of Provencher. We are anticipating that our exports in the hog and cattle industry are going to double over the next 10 years. We are looking at capitalizing on that in terms of value added.

I would ask the hon. member to have his membership convey their interest in terms of entering into secondary processing with value added to bring benefits to the community. I welcome that kind of interactive process. I can assure the hon. member we are doing everything in government to ensure that young farmers in his area and in my area have the same opportunities as their fathers and grandfathers did under a Liberal government.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I appreciated hearing the hon. member for Provencher speak to this issue.

As he is no doubt aware, a very divisive issue in western Canada has been that of the recipient of payments under the Western Grain Transportation Act. Should those funds be paid to producers or paid to the railways as they are currently being administered? Does the hon. member favour the status quo of paying the WGTA to the railroads? Would he favour paying that transportation subsidy to producers? Or, does he have a new initiative that he would prefer to see undertaken?

Mr. Iftody: Mr. Speaker, I thank my hon. friend for his question. As he probably knows a payment panel has been studying the issue for some time. The Minister of Agriculture and Agri-Food is awaiting the response from the panel to have a look at the proposal.

I assure him that my position is in the best interests of grain farmers in my area. If they tell me they would prefer to use the current system then I will believe them. If they tell me they want to change the system and have a direct cash payment then I will support that.

Just to provide some context, farmers even within my own riding have different views on the issue. Different farmers in close proximity to one another will have different views on what is in their best interests with respect to the payments they receive.

I assure the hon. member and the whole House that our minister, as I said in my opening comments, will study the issue in detail. We want to hear everyone's view on it. We want to do what is in the best interests of western Canadian farmers.

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The Speaker: It being two o'clock the House will now proceed to Statements by Members pursuant to Standing Order 31.

The crisis is here and the responsibility for prolonging it falls squarely on her own government.

* * *

[English]

STATEMENTS BY MEMBERS

[English]

CORPORAL PUNISHMENT

Mrs. Karen Kraft Sloan (York—Simcoe): Mr. Speaker, I take this opportunity to speak out against corporal punishment.

I believe corporal punishment is an inhuman form of torture that should not be accepted by civilized government. I was appalled to learn that a provincial court judge has recently spoken in favour of caning as an appropriate punishment for young offenders.

In Singapore caning involves victims being lashed on their bare buttocks with a thick bamboo rod by a martial arts expert. These victims bleed after the first lash and are scarred for life. Recent events in Singapore have drawn the world's attention to this colonial form of justice. We could not advance as a civilized nation if we were to practise archaic methods of punishment such as caning.

I strongly believe we cannot deter violence by the threat of inflicting violence against individuals.

* * *

(1400)

[Translation]

HEALTH CARE

Mr. Bernard Deshaies (Abitibi): Mr. Speaker, the Minister of Health, who cares so much about the health of Canadians and Quebecers, as she keeps saying, in my opinion deserves the gold medal for cynicism.

How can the minister denounce provincial governments forced to reduce health services or allow extra billing when her own government has extended the freeze on transfer payments until 1995?

How can the provinces maintain the quality of health care when her government is constantly reducing its share of health-care expenditures?

When she was in opposition, the Deputy Prime Minister said that federal financing was on a slippery slope and was creating a crisis in the Canadian health care sector.

ALBERTA

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, during the Easter recess I had the opportunity to meet with government officials from 10 different municipalities within my riding of Crowfoot.

Each of these Alberta municipal governments told me that it is operating in the black and has varying degrees of reserves to draw upon if necessary.

What a novel idea. Money in the bank, no interest payments, no out of control debt, no threat of bankruptcy and a credit rating which is indicative of good fiscal management and responsibility. Only in Alberta they say.

I commend the mayors and councillors of these Alberta municipalities. When asked how they managed to run a debt free operation, they shared with me their closely guarded secret. They said they never spend more than they bring in.

Why can the local governments express such responsibility in fiscal matters while the federal government has been such a disaster?

* * *

[Translation]

SERIAL KILLER BOARD GAME

Mr. Dan McTeague (Ontario): Mr. Speaker, the sale of killer games and cards in Canada suffered a serious setback last week when the Minister of Justice presented a bill banning them in this country for children under 18. Board games and collectable cards on mass murderers have no place in Canadian society.

These products glorify criminals and their brutal acts. Many constituents in my riding of Ontario have conveyed to me their concern and repugnance over the sale of such items to children.

I wish to commend the Minister of Justice for taking this initiative and I will be glad when the Standing Committee on Justice and Legal Affairs begins public consideration of the bill.

I also take the opportunity to congratulate the Catholic Women's League of Canada and the churches in my riding on their efforts.

* * *

[English]

CLUB ROMA

Mr. Walt Lastewka (St. Catharines): Mr. Speaker, I would like to take this opportunity to congratulate Club Roma on its

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recent 33rd anniversary celebrations. Club Roma is an important Italian organization in the city of St. Catharines. As Club Roma begins its 34th year, it is launching the greatest expansion and fund raising project in its history.

The ambitious project has been aptly kicked off with the Club Roma dream house raffle. The new expansion project is evidence of the important role that Club Roma plays in the community. Many organizations in St. Catharines have benefited from the club's generosity, including every hospital in St. Catharines.

Club Roma is also an integral part of the rich multicultural heritage of St. Catharines. The club's success in the preservation and promotion of the diverse heritage of our community has contributed immensely to the city of St. Catharines and the greater Niagara region.

I extend congratulations and good wishes to the president, Angelo Mirabella, and to Club Roma for a successful campaign and a successful 1994.

* * *

SAFETY IN THE WORKPLACE

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton): Mr. Speaker, the Canadian Labour Congress has declared today a national day of mourning for workers who have been killed or injured on the job.

The figures for workplace death and injury are frightening. Each work day four Canadians die as a result of accidents, unsafe conditions or exposure to harmful substances at work. Disabling injuries have increased 17 per cent over the past 20 years. One in four women each year is injured on the job compared with one in eighteen men. The cost of workplace death and injury amounts to \$10.6 billion a year.

No one can place a value on life or the suffering of family and friends who have lost a loved one in a work related incident.

(1405)

We should recognize today, April 28, as a day to pay our respect to Canadian workers who have been killed or injured on the job.

* * *

*[Translation]***ELECTRONIC HIGHWAY**

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, the electronic highway is the major technological challenge of the future. This highway will combine telephone, cable and computer technology so that consumers can have a wide range of interactive services.

Although the advisory committee was able to bring together a strong team with expertise in electronic infrastructure, we must admit that the creative artistic community was tactlessly left out. This is an unacceptable omission.

The government cannot keep outside the decision-making process the very people who produce much of the material that will be carried on the electronic highway, especially since the creative artistic community could have played an essential role with its knowledge of such issues as privacy, copyright and intellectual property.

If the minister and his government are really concerned about protecting culture, they must correct this error and leave a big place for the creative people of this country.

* * *

*[English]***DNA TESTING**

Mr. Randy White (Fraser Valley West): Mr. Speaker, I would like to bring to the attention of this House a terrible injustice in my home province of British Columbia.

A 78-year old woman was raped and brutally beaten by a ruthless criminal. Although the judge conceded the DNA match was conclusive, he ruled the evidence inadmissible because it infringed on the rights of the criminal under the charter. The criminal left this poor woman naked and battered yet he is the one being shielded.

Police use breathalyser tests in drinking and driving cases and yet we deny them the right to use this important tool to put violent criminals behind bars.

DNA testing must be permitted when necessary. We have run out of patience with ineffective political parties. The rights of the victim must take priority over the rights of the criminal.

* * *

NATIONAL BASKETBALL ASSOCIATION

Mrs. Anna Terrana (Vancouver East): Mr. Speaker, I would like to take this opportunity to congratulate the city of Vancouver and Arthur Griffiths in particular for their successful bid for a National Basketball Association franchise.

Vancouver joins an expanding and exciting league. Canadians have been eagerly anticipating this favourable decision for a long time and clearly it is much deserved. Much thanks must go to Arthur Griffiths for his dedication and outstanding commitment to realizing this goal.

The awarding of an NBA team demonstrates the significance of Vancouver, how it has grown and developed into a socially vibrant metropolis. There is a realization that Canadians have much to contribute to the sporting world. Canadians are re-

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cognized as being among the most enthusiastic, passionate and committed of supporters.

The new basketball team will be sharing the yet to be completed GM Place with the Vancouver Canucks who, incidentally, will be playing the Calgary Flames tonight at the Pacific Coliseum.

I am confident the Canucks will handily even their series and I wish them and Vancouver's new basketball team the very best of luck.

* * *

FISHERIES

Mr. Harold Culbert (Carleton—Charlotte): Mr. Speaker, in the House yesterday during Question Period the hon. Minister of Fisheries and Oceans stated that the groundfish licences of bona fide professional fishermen that had been frozen in 1991 would be returned at once. He made it clear that not all licences would be returned, only those of bona fide professional fishermen.

This is a move that will be supported by the various fishermen's associations. It is, I assure the House, most gratifying to have a Minister of Fisheries and Oceans who listens to the fishing industry and to the fishermen.

These licences are most important to the diversified, multi-licence traditional fishery and to the professional fishermen in my Carleton—Charlotte constituency.

The minister has proven that he understands and cares deeply for the traditional fishery. I would like to personally thank and congratulate the hon. minister for this most sensible and important move.

* * *

HOME LOAN INSURANCE PROGRAM

Mrs. Georgette Sheridan (Saskatoon—Humboldt): Mr. Speaker, I am very pleased to rise in the House today to speak about the federal government's first home loan insurance program.

In a surge of activity, over 33,000 homes were purchased by first time buyers in the first quarter of 1994. The high level of activity is a result of consumers taking advantage of almost ideal home buying conditions.

The home loan insurance program is good news. It will help Canadians realize their dream of purchasing a first home. As important, it will stimulate the economy. Almost 60,000 person years of direct employment have been created.

[Translation]

Mr. Speaker, this initiative was successful and it cost Canadian taxpayers nothing.

(1410)

[English]

Kudos to the minister responsible for Canada Mortgage and Housing and to the other members of this government who so ardently supported this program.

* * *

[Translation]

PROVINCIAL ELECTIONS

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies): Mr. Speaker, yesterday, at a fund raising cocktail where guests had to pay \$250 each, the Minister of Foreign Affairs accused the Quebec director general of elections of not being impartial in asking the federal government to comply with the spending limits provided in Quebec's Elections Act.

By attacking the professional integrity of Mr. Pierre-F. Côté, and by showing his contempt for Quebec's election rules, the Minister of Foreign Affairs shows an arrogance typical of the Trudeau years.

It is ironic that the minister would make such comments at a fund raising cocktail. He would be better advised to implement the commitments made by the Liberal Party regarding ethics and to table legislation on the financing of political parties, based on the principles of transparency and fairness contained in the Quebec act.

* * *

[English]

HEALTH CARE

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, 30 years ago the Liberal government of Lester Pearson brought medicare to Canada. Although there were concerns expressed at that time about what the program would cost, the majority of Canadians applauded the initiative.

In the years since, Canadians, including Reformers, have come to put a high value on our health care system. It is tragic that today health care is under threat from the very same party that introduced it.

Health care is deteriorating rapidly and soon it may no longer be the envy of the world. Our huge debt and deficits and this government's refusal to update the 30-year old outdated Canada Health Act are combining to undermine and gradually destroy the system.

Canadians cherish their health care system. They demand solutions from their government instead of rhetoric that is hauled out of the archives from the 1960s.

Let us hope that in addition to the aluminum smelter museum in Shawinigan, the Prime Minister will not have to consider building a health care museum.

*Oral Questions***NATIONAL SPORTS ACT**

Mr. Roger Gallaway (Sarnia—Lambton): Mr. Speaker, yesterday this Parliament approved Bill C-212, a bill officially designating ice hockey as our national winter sport and lacrosse as our national summer sport.

Both of these sports have a significant place in Canadian history and are an important element of our culture. Hockey and lacrosse are just as symbolic of Canada as the maple leaf or the *Bluenose*.

The passage of this bill is a good example of co-operation in Parliament and of how MPs on both sides should work together without the cross-checking, holding and interference that usually occur in the House as they do on the ice, on the floor, or on the field.

This bill brings all Canadians together, contributing to our national unity. I am sure that all Canadians will be pleased with the action taken by this Parliament.

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[Translation]

ORTHODOX EASTER

Mrs. Eleni Bakopanos (Saint-Denis): Mr. Speaker, this week is Holy Week for Canadians of Greek Orthodox faith. In fact, it is Holy Week for all Eastern Orthodox religions. Sunday is the day we celebrate our Easter.

[English]

All over my riding of Saint-Denis, Canadians of Greek origin will be partaking in orthodox Easter traditions such as lamb roasting and dancing, along with traditional foods which will no doubt be in abundance. Families will be united and friends and neighbours of other cultural backgrounds will also share in this special day.

Saint-Denis is a riding where our differences, cultural and religious, are celebrated and exchanged in an effort to better understand one another. I am proud to represent such a riding.

[Translation]

I would like to conclude by wishing a happy Easter Day to all my constituents in the riding of Saint-Denis, and to all Canadians of Greek origin. *Kalo Pasha*.

* * *

[English]

SAFETY IN THE WORKPLACE

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, today, April 28, is a national day of mourning for workers who have been injured or died on the job.

[Translation]

Each working day, four Canadians are killed on the job.

[English]

Every seven seconds of every working day a serious injury occurs. Every year workers die from workplace diseases that too often go unrecorded and uncompensated. Health and safety standards and their enforcement continue to be weakened by governments nationally and internationally.

I call on this government to honour this national day of mourning as passed in this House of Commons by fighting for good labour standards for our workers and, in order to honour our workers, that the Prime Minister agree to fly flags at half-mast on this day of mourning for the workers of this country who have lost their lives at work.

* * *

CITIZENSHIP COURT

Mrs. Sharon Hayes (Port Moody—Coquitlam): Mr. Speaker, on April 14 the Minister of Citizenship and Immigration stated: "As vacancies arise, new citizenship court judges will not be appointed". On April 26 the Prime Minister stated: "We are working at substantially reducing the deficit". He referred to the millions of dollars being saved by the citizenship court judge decision.

(1415)

As a result of the attrition in these appointments the estimated potential savings for this year alone should be in the range of \$300,000. However, all attempts to have the estimates in this one department reduced at all to reflect these savings to the Canadian taxpayer have been stonewalled by the Prime Minister's own caucus.

Similar to this government's first budget brought down in February, we continue to hear promises from this Prime Minister but see no action.

ORAL QUESTION PERIOD

[Translation]

PATENT DRUGS

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister, I will direct my question to the Minister of Finance.

Reacting to the federal government's intention to reopen the drug patent law, the Quebec minister of industry accuses Ottawa of creating a climate of instability by threatening investments in Quebec. He says that a drug company established in Quebec has already postponed a \$50-million investment in research and development because of the federal government's intention to review Bill C-91.

Oral Questions

I ask the minister if he admits that the government's announced intention to review this law is already hurting high-tech investments. Does he confirm that, for lack of assurance from Ottawa about the law, a drug company established in Quebec has postponed a \$50-million investment?

Hon. John Manley (Minister of Industry): Mr. Speaker, I want to say that the government has already announced its intention to keep our international commitments, as we signed the new GATT agreement and NAFTA.

Moreover, I want to remind the Leader of the Opposition of the provisions of C-91 which he supported. These provisions include a clause to review this legislation. It is already in C-91. The Bloquistes supported this bill. It is more than a little hypocritical for the Leader of the Opposition to say now that the bill is being reviewed.

The Speaker: The word "hypocritical" is somewhat inflammatory. I would ask the hon. minister to withdraw this word "hypocritical".

Mr. Manley: Mr. Speaker, I think it would be rather difficult to understand if I did not use that word. I would never want to give the impression that the Hon. Leader of the Opposition is a hypocrite.

The Speaker: I would just like the hon. minister to take back that word.

Mr. Manley: Certainly, Mr. Speaker. I withdraw that word.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, the main thing is to determine whether or not this government will reopen the law before it is due for review.

I have here in front of me a Canadian Press article published in *La Presse*, according to which the minister said on April 26 that he would review the drug patent law. We know very well that this law is not to be reviewed until 1997. We in the Bloc are very proud to have voted for a law that will give Montreal an extremely important pharmaceutical research centre—

Some hon. members: Hear, hear.

(1420)

Mr. Bouchard: —prouder no doubt than the Liberal Party, which waged a fierce battle to prevent a real pharmaceutical research centre from being created in Montreal.

I ask the minister to tell us today in this House if he does not think he should reassure the pharmaceutical industry and if he is considering announcing once and for all that he will not call into question the 20-year patent protection, whereby a drug devel-

oped and patented by a company cannot be copied by others. I ask him to make that commitment here in this House today.

Hon. John Manley (Minister of Industry): Mr. Speaker, as I just said, we are very aware of our commitments under GATT and NAFTA. That is the basis of our position.

[*English*]

I want to make perfectly clear to the House and to Canadians that this government is not going to be blackmailed by threats. We made one simple commitment during the election campaign on Bill C-91 and that was that we would review it.

As I explained yesterday both here and to the media, that review consists of looking at the impact on prices of prescription medications and on looking, second, at the fulfilment of obligations made to the previous government with respect to investment and research and development.

If the Leader of the Opposition considers it to be inappropriate for governments to monitor performance resulting from the passage of important pieces of legislation like that, why does he not get up and say that companies no matter what kind of companies they are can do whatever they want? We believe that the best interests of Canadians need to count first. That is what the government is endeavouring to do.

[*Translation*]

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, there is nothing worse in politics, as in other fields, than ambiguity, and I would like to give the minister the opportunity to clarify specifically any ambiguity there might be.

Bill C-91 contains a statutory requirement for a review of the provisions and application of the law in 1997; a statutory review is planned for 1997.

I understood the minister to say that he will reopen the law before the 1997 deadline. If so, let him tell us clearly: Will he wait until 1997 or will he review it before then by a decision of the Liberal majority in this House?

[*English*]

Hon. John Manley (Minister of Industry): Mr. Speaker, the Leader of the Opposition seems to be very nervous about this. At least he is now acknowledging that he supported a review of the legislation. It is indeed as he says scheduled to take effect no later than the fourth anniversary of the passage of the bill which would be the spring of 1997 as he indicates.

I think it would be fair to say that it is appropriate for the government to monitor the results in the areas I have mentioned in the course of performing this review. Perhaps we will have a look at the results of that monitoring and will be able to give a precise answer to his question later on.

Oral Questions

Let me say this as well. If anyone wants to talk about what is causing instability in the investment climate in this country, one does not need to look beyond the Leader of the Opposition.

[*Translation*]

Mr. Michel Gauthier (Roberval): Mr. Speaker, we gather from the Minister of Industry's response that he intends to review the legislation immediately and that is why he has made that announcement. That is what his response leads to believe.

My question is directed to the Minister of Foreign Affairs. You will get a chance to respond. Just hear the question, then you will get to answer it.

Reacting yesterday to remarks made by the Quebec minister of industry and commerce, Mr. Gérald Tremblay, who was outraged to see the federal government create a climate of instability detrimental to Quebec, the Minister of Foreign Affairs said that, instead of getting all excited, Mr. Tremblay should have contacted him and he would have put his concerns to rest.

(1425)

In light of the statements made by the minister of industry and commerce, should the Minister of Foreign Affairs not take this opportunity to make a reassuring statement in this place for all of Quebec and Quebec's pharmaceutical industry to hear?

Some hon. members: Hear, hear.

[*English*]

Hon. John Manley (Minister of Industry): Mr. Speaker, every time I hear a question from the hon. member for Roberval it calls to mind the words from *Macbeth*: "a tale told by an idiot full of sound and fury signifying nothing".

Some hon. members: Hear, hear.

The Speaker: I would appeal to all hon. members to sort of lower our tone in the questions and also the words we use.

I would appeal to all hon. members both in the questions and the answers to please tone down our voices and possibly not crank up the rhetoric. I would appeal to all hon. members so that we can get the questions and answers in today.

I take it that the hon. Minister of Industry is finished with his answer.

[*Translation*]

Mr. Michel Gauthier (Roberval): Mr. Speaker, the public can see for themselves. These proceedings are televised and widely broadcasted. They know what we are getting at. We know why the Minister of Industry is nervous. He has nothing better to do than to respond by insulting Quebec's legitimate demands.

Some hon. members: Hear, hear.

The Speaker: I would ask the hon. member to put his question through the Chair.

Mr. Gauthier (Roberval): Mr. Speaker, we are concerned to see the Minister of Foreign Affairs answer out of order and then fail to respond when questioned. Can the government, the Minister of Foreign Affairs, the Minister of Industry or the Minister of Finance, one of the them, respond and tell us why the people of Quebec should trust ministers of the government that guided Bill S-31 through the House, a bill which tied the hands of the Quebec Deposit and Investment Fund and curbed Quebec's growth? Why should we trust these people? We want an answer from the minister.

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I must point out that it is impossible for the Minister of Foreign Affairs to answer questions on matters that do not fall under his administrative responsibility. He could easily provide an appropriate answer, but the Standing Orders of this House do not allow him to respond.

I could add that the three ministers referred to by the opposition leader have demonstrated that they have obviously been working and will continue to work in the best interests of Quebecers and Canadians in general. And this work will continue to be positive and to promote the interests of Quebecers and Canadians. That has been clearly demonstrated, and the opposition's questions are not disproving anything.

* * *

(1430)

[*English*]

HEALTH CARE

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, since you permitted a quotation from Shakespeare I am sure you would permit one from Edmund Burke that says: "Just because a few grasshoppers under a fern make the field ring with their importunate chirping, whilst thousands of great cattle repose beneath the trees chew their cud and are silent, please do not believe that those who make the noise are the only inhabitants of the field".

Some hon. members: Hear, hear.

Mr. Speaker: If I may quote one of the great Speakers of the House of Commons, would the hon. member please put his question?

Mr. Manning: Mr. Speaker, my question today is for the Minister of Health. Yesterday the Prime Minister acknowledged that there are serious problems in Canada's health care system, but in the same breath he refused to consider the most obvious measures to help our health care system to survive.

Oral Questions

My question for the health minister is this. If the federal government cannot maintain its financial support of health care, and if it will not amend the Canada Health Act to allow the provinces more flexibility in paying for health care, how then does the minister propose to solve the problem of financing health care in Canada?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I thank the hon. member for his question. It gives me the opportunity to set the record straight.

Actually the best news of the past budget was the fact that transfer payments in health care were not cut. It was the one area that was not. We guaranteed stability over the next few years. As matter of fact transfer payments will be allowed to grow somewhat over the next few years.

In light of the fiscal problems we are facing, that should send a very positive message to all Canadians, that our health care system is one we value above all else.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I have a supplementary question.

I thank the minister for her reply. However it does not take a brain surgeon to figure out what is at the root of the financing problems of health care. The total health care bill in Canada is now over \$70 billion with the provinces paying 46 per cent of that bill, individuals and private insurance companies paying about 28 per cent and the federal government now paying about 23 per cent. The federal government is no longer the senior partner in health care financing. It has become a junior partner.

Will the minister today admit that health care transfers are now insufficient to permit the provinces to meet the demands of the Canada Health Act? Will she commit to amend the act to give the provinces the flexibility they need to finance the major portion of the bill?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, hard working Canadians who live by the rules, who pay their taxes, gave us a very strong message during the last election. They believe in the health care system as it is governed by the Canada Health Act. That is our mandate and we will maintain it. There is a role for the national government.

I would like to take this opportunity to tell all Canadians that there is someone here, there is a government, that will make sure they get health care not based on the size of their pocketbooks but based on the fact that they are sick.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I have one further supplementary question.

The minister's answer leaves Canadians wondering what it would take to convince the government that health care financing and the Canada Health Act need to be reformed. How many

more hospitals have to be closed down? How much longer do the waiting lines have to become? How many more Canadians have to go to the United States for health care?

(1435)

How much further does the health care system have to deteriorate before the government will agree to reform the Canada Health Act and the financing of health care in Canada?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, there is no doubt in my mind and in the minds of most Canadians that the health care system is one of the best. It is far better than what you find south of the border.

Not only is it one of the best but it has given us a great economic advantage. We will not reopen the Canada Health Act in the short term. We are here to make sure that what we value as a party, as a country, is maintained.

There will have to be some changes, and change is always difficult. But it does not mean we have to let go of the principles we really believe in.

* * *

[*Translation*]

REGIONAL DEVELOPMENT

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Finance who is also responsible for regional development in Quebec.

The red book emphasizes the importance of developing companies in high-tech sectors. The Liberal Party has promised to increase incentives for leading-edge industries. We were therefore amazed to hear that the government plans to revise and, in effect, weaken Bill C-91, the drug patent bill.

My question is this: How can the minister co-operate with the Minister of Industry on a strategy that will have a disastrous and devastating impact on brand-name manufacturers in the pharmaceutical industry who invest massively in research and development and are mainly located in the Montreal area, where the Minister of Finance has his riding?

Hon. John Manley (Minister of Industry): Mr. Speaker, Bloc members are having a hard time understanding the answers to the questions. As I just said, first of all, we are very much aware of our commitments under GATT and NAFTA. Second, it is very important for us to review the performance of companies on the basis of their commitment to invest in research and development, and we also have to—

Some hon. members: Oh, oh.

Mr. Manley: Mr. Speaker, they are not interested, and they are not even listening to the answers. Maybe that is why they do not understand.

Oral Questions

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, a supplementary for the Minister of Finance and minister responsible for the Federal Office of Regional Development—Quebec, and I hope he will give me an answer. I would like to point out that the minister, unlike his Liberal colleagues at the time, did not vote against Bill C-91 because he knows how important it is for Montreal, and I commend him for that.

Some hon. members: Oh, oh.

Mr. Duceppe: Mr. Speaker, I want to ask the minister whether he will finally speak for Quebec in Cabinet and defend this important industry in the Montreal area by rejecting out of hand any changes that would weaken the patent legislation. Will the minister take a stand to defend the interests of Quebec and Montreal against his colleagues or will he remain silent and let the ministers from Ontario go ahead and undermine Quebec's interests?

[*English*]

The Speaker: The question should be addressed to the minister having the administrative responsibility for a particular dossier and I go to the Minister of Industry.

Hon. John Manley (Minister of Industry): Mr. Speaker, this is a continuing campaign of confusion and obfuscation by the Official Opposition. The member's question implies that this issue simply divides along the Ottawa River. This is simply not correct.

The brand name pharmaceutical industry is as important in the province of Ontario as it is in the province of Quebec. In addition the generic industry exists in the province of Quebec as it does in the province of Ontario.

(1440)

Furthermore, Canadians in all parts of the country are profoundly concerned that governments look to the companies involved in this industry, first of all to live up to the obligations that they entered into. Second, Canadians in all parts of the country are concerned about the impact of drug prices on our health care system.

If members of the Bloc Québécois are not interested in these things, that is for them to say. However, as to the commitment of the government to an innovative economy, that is clear and will be pursued by this government with vigour and determination across Canada.

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HEALTH CARE

Mr. Keith Martin (Esquimalt—Juan de Fuca): Mr. Speaker, my question is for the Minister of Health. I can assure you, Mr. Speaker, that our health care system is sick and the way to find out is to go to a hospital.

Recently in my province of British Columbia the Prince George Regional Hospital had to close one-third of its beds. Vancouver General Hospital has closed 108 beds. Calgary General Hospital is being closed down and the lights are being turned out on Calgary's children's hospital, all because of a lack of funds.

Because of the Canada Health Act rules and regulations, the only solution to the health care problem the minister has offered to the provinces is to withhold health care funding to rationing and bed closures.

Does the minister offer any other alternatives to health care funding in this country?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, no doubt there have been problems in transfer payments. We have had a different government. Now we are back to protect the people of Canada.

There are many new techniques nowadays which often mean we do not need to use all the hospital beds. To go out and spread fear among the population is wrong. We still have a very good system. We are going to work together to make it better and to renew it. That is why we are going to have a national forum on health.

Mr. Keith Martin (Esquimalt—Juan de Fuca): Mr. Speaker, as a physician and surgeon who works in hospitals, if you are sick and need a hospital bed and cannot get it, that is a tragedy that does not belong in this great country.

Yesterday the minister told the provinces she is going to withhold \$750,000 per month in transfer payments for health care. That is \$750,000 less to treat the people of British Columbia which means longer bed closures, less care for the sick and the elderly and people are going to die.

We must get our heads out of the sand. What is the minister going to do and what alternative does she have to get health care and Canada on firm financial ground? It needs immediate care now. What is she going to do about it?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, we have the law of the land which is very specific. If a previous government chose not to follow the law, then that was wrong.

This Minister of Health and this government take our responsibilities very seriously. We will follow the letter of the law. We will also send a message out that extra billing is wrong. It is wrong because it hurts those who need help. Believe me, I will fight to make sure that people who are sick get treatment based on their illnesses, not based on the size of their wallets. Any extra billing is a tax on illness and that is wrong.

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[*Translation*]

MIL DAVIE SHIPYARDS

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, Ottawa has yet to announce its decision

regarding the construction of a new ferry to service the Magdalen Islands. This project would certainly put MIL Davie shipyards in Lauzon back on track.

Yesterday the Quebec minister of industry criticized the federal government's attitude and stated the following: "We are entitled to have our ferry and to have it built here in Quebec. All of a sudden, the federal government has taken an interest in this ferry and wants to award the contract to a shipyard outside the province".

(1445)

My question is directed to the Minister responsible for the Federal Office of Regional Development—Quebec. Can the minister give us his assurance that he will do whatever it takes in order to get the Prime Minister to rein in his Minister of Transport so that he does not play politics at Quebec's expense and divert the contract to build the ferry from MIL Davie in Lauzon to Saint John Shipbuilding Ltd., which happens to be located in the Minister of Transport's own province?

[English]

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, this question has been asked many times in the House of the Minister of Transport and of the Minister of Industry. The Minister of Transport is looking at all options available for the replacement of this ferry.

No decisions have been made. We will take all considerations into account and when a decision has been made we will advise the House.

[Translation]

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, we wonder if there really is a Minister responsible for the Federal Office of Regional Development—Quebec.

Are we to understand from the minister's silence that he agrees with the statements of the Minister of Transport? Is that why the Prime Minister refused to make any specific promises to the shipyard workers in Lévis during the last election campaign?

Hon. John Manley (Minister of Industry): Mr. Speaker, we are extremely aware of how important MIL Davie shipyards are to the Quebec region.

As the hon. member knows full well, both the federal government and the Quebec government have received a business plan and we are prepared to consider it as part of a long-term plan for the commercial viability of MIL Davie.

However, I have no doubt that the hon. member agrees with the following statement: "I hope that this policy, which calls for the rationalization of shipyards, will adhere to the fundamental principle which the government has always defended, that is the

Oral Questions

principle of free enterprise. Any other approach would only lead to lame duck solutions, and this would be to the detriment of a shipyard that already enjoys a competitive position".

These words were spoken by his colleague, the hon. member for Richelieu.

* * *

[English]

HEALTH CARE

Mr. Grant Hill (MacLeod): Mr. Speaker, my question is for the Minister of Health.

In my home province of Alberta there are some creative alternatives to the problems of the health care system. For example, the world renowned private Gimbel Eye Clinic provided cataract surgery to 3,500 people last year. That is one-quarter of the cataract surgery done in Alberta.

In her zeal to enforce the three-decade old Canada Health Act does the minister propose that 25 per cent of cataract patients line up in a longer line?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, let me set the record straight here. When people go to the Gimbel Eye Clinic they pay a facility fee. It costs approximately \$1,000 for a person to go there.

What this means is that a person who has money can get the cataract surgery ahead of others, but the person who really needs it and probably does not have the money has to wait a lot longer.

What does that \$1,000 do? Does it add to hospitals? Does it help the system do a better job? Does it foster better utilization of what we have in place? No. It allows someone to get richer.

Mr. Grant Hill (MacLeod): Mr. Speaker, let me debunk the myth that these are wealthy people going to the Gimbel Eye Clinic. These are senior citizens, citizens who cannot see, cannot watch television and cannot read. They are not rich. They are poor.

The message the Minister of Health is giving us is that she cares more about the law of the land than the health of the land, and that is wrong.

* * *

(1450)

[Translation]

QUEBEC'S CHIEF ELECTORAL OFFICER

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, last night at a \$250-a-head Liberal fund raising cocktail party in Quebec City, the Minister of Foreign Affairs publicly attacked the credibility of Quebec's Chief Electoral Officer. He described Mr. Côté's warning with respect to federal parties' involvement in the next campaign as a biased and partisan attack.

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The Speaker: These questions do not deal with the administrative functions of the government. Perhaps the hon. member could rephrase his question so that it refers to these functions; his question would then be in order. The hon. member for Portneuf.

Mr. de Savoye: Mr. Speaker, do you not think that the minister should realize that he is going against the commitment made by the Prime Minister on Tuesday that his government would respect Quebec's election law and that his attack is petty and contradicts what the Prime Minister promised, a petty attack against the Chief Electoral Officer who, as you will agree, oversees a fundamentally important institution in the democratic life of Quebec?

The Speaker: I am sorry but in my opinion this question does not deal with the purely administrative functions of the minister who is here. I think the question is out of order. If the hon. member has another question, would he please ask it?

Mr. de Savoye: I have already asked two questions. Mr. Speaker, if the Prime Minister had been here, I would have been happy to ask him a question, but he is not here.

* * *

RWANDA

Mr. Bill Graham (Rosedale): Mr. Speaker, my question is for the Minister of Foreign Affairs and it concerns Rwanda.

Canada's reputation in Africa is very good. Therefore, why not use our good offices with international institutions, particularly the Organization of African Unity, to establish a humanitarian corridor and allow the 20,000 people currently stranded in Kigali to leave and seek refuge in Tanzania, until the situation stabilizes and the slaughter ends?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I am pleased to answer a question which concerns my department and which is asked pursuant to the rules of this House.

I want to confirm to the hon. member that our official in Addis-Abeba made representations to the Organization of African Unity, asking it to get more involved in finding ways to help a population decimated by this totally unacceptable civil war.

I can assure the hon. member that Canada is prepared to participate in a humanitarian mission in that part of the world, which needs it badly.

[English]

YOUNG OFFENDERS

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, my question is for the Minister of Justice.

Four years ago a young offender by the name of Danny Perrault was convicted of manslaughter in youth court and received a three-year sentence. Last year he was transferred to minimum security in an adult provincial institute to serve a sentence for being unlawfully at large from the youth detention centre.

Mr. Perrault walked away from the minimum security facility and before being arrested he committed a brutal sexual assault. Earlier this year he received a 14-year sentence for that crime, which he is appealing on the grounds the judge gave undue consideration to the protection of society.

Will the minister send an unequivocal message to the Canadian legal profession, as well as to the Canadian public, that the protection of society is a primary concern of the criminal justice system?

(1455)

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, there are three points in response.

First, as the hon. member knows, because I have said as much in the House, we propose to bring forward specific changes to the Young Offenders Act within the coming weeks as we undertook to do during the election campaign in order to deal more effectively with crimes of serious violence. The steps we will propose will be intended in great part to meet the concerns addressed by the hon. member in her question.

Second, as to the facts of the specific case, I ask the hon. member to bear in mind that while that issue is raised in the appeal, the statute as it exists at present provides expressly that protection of society is one of the governing principles of the Young Offenders Act and is to be taken into account.

Third, we do not think for a moment that violent crime is going to be resolved in this society by tinkering with statutes or changing acts. The fact of the matter is that the criminal justice system itself is not going to end violent crime. It only deals with the consequence of underlying social problems. It is crime prevention that must have at least the equal focus of the House of Commons.

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, my supplementary question is for the Solicitor General.

Oral Questions

It was recently reported that despite the fact Danny Perrault has twice terrorized the greater Vancouver area by being unlawfully at large, current parole legislation would permit him to go on unescorted day parole as early as December this year.

Is the minister prepared to change the parole legislation to ensure the Canadian public that protection of society is a primary concern of the criminal justice system?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I have already indicated to the House and to the Standing Committee on Justice and Legal Affairs that I intend to bring forward legislation very soon to update the parole system and the correction system in light of a number of public concerns.

In that connection I want to confirm what I have already said: The priority will continue to be the protection of the public.

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[Translation]

REGIONAL DEVELOPMENT

Mr. Paul Mercier (Blainville—Deux—Montagnes): Mr. Speaker, I will address my question to the Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec on the off-chance that he will have something to say today.

The government, which told us yesterday that it has already spent \$6 million on studies regarding the high-speed train, is hiding behind some future study to avoid taking position on the HST project, or even approving it in principle. The government showed its lack of interest in VIA Rail's proposal.

How can the government, which claims to make job creation a priority, show so little interest in a major project that could create some 120,000 jobs in a high technology sector?

[English]

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in answer to the member's question with regard to VIA, yesterday the Prime Minister as well as the Minister of Transport indicated to the House that the \$6 million report that is awaited and being done by three levels of government, the Quebec, Ontario and federal governments, is due some time this summer.

At that point the government will study the opportunities and the alternatives available to it to look at the very intriguing project of high speed rail.

We are not discarding anything, but it would be premature to say anything at this point until such time as the study was complete. Then we would be willing to work with all members

of the House to see whether or not it is viable and feasible for the country.

[Translation]

Mr. Paul Mercier (Blainville—Deux—Montagnes): Mr. Speaker, that is what you get for trying too hard.

Will the Prime Minister recognize that the HST project, considering the type of equipment required and the type of jobs created, fits perfectly in a strategy for the reconversion of the military industry, which is a commitment made by the Liberal Party in its red book and that is yet to be fulfilled?

(1500)

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the Bloc Québécois constantly talks about the need to co-operate with the provinces. The high speed train is a project we are looking at closely with the governments of Quebec and Ontario, and this is why these studies are necessary. Consequently, if we are to follow the advice of the Bloc, we should wait for the results of the studies and review these very carefully. As the member for Windsor, I can assure you that I have a real interest in this issue.

* * *

[English]

UNEMPLOYMENT INSURANCE

Mr. John Williams (St. Albert): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Human Resources Development.

It was reported in the *Globe and Mail* that the government paid out \$440 million in unemployment insurance benefits due to fraud, abuse and mistakes in 1993. An internal investigation and control audit identified a study which pointed to a better focus on who abuses UI, but the use of this focus was prohibited because it contravened the Charter of Rights and Freedoms.

Will the parliamentary secretary confirm that the Charter of Rights and Freedoms, which was set up to protect law abiding Canadians from abuse by government, is once again being used to protect criminals at the expense of ordinary and law abiding Canadian citizens?

Hon. Ethel Blondin—Andrew (Secretary of State (Training and Youth)): Mr. Speaker, as you well know the people on this side of the House are the architects of the Charter of Rights and Freedoms and we have a great deal of respect for the charter. Everything that the government undertakes does reflect that.

In reply to the question, that is a very specific question on which the minister has taken action. Of course everything we do upholds the charter. The full weight of the charter stands.

The Speaker: My colleagues, I have notice of two questions of privilege which I am going to hear.

Privilege

I would appeal to all members in putting forth their points of privilege to be reminded that privilege is very narrow in scope. I would ask hon. members to identify the point of privilege which has in some way been impeded so that I might get a better idea of just what is the point.

I go first to the hon. Minister of Foreign Affairs on a point of privilege

* * *

[Translation]

PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I fully understand your desire to ensure that all members of this House enjoy the same privileges. I raise this question because I believe my privileges as a member of this House were breached during Question Period.

As House Leader for the Official Opposition, the member for Roberval should be familiar with the Standing Orders and should know that these prevail during Question Period. The fact that he would put questions to a minister concerning a field for which he is not responsible is not, in itself, an abuse of his right to ask questions since another minister, the responsible minister, may answer the question.

Where I feel my privileges were breached during Question Period, and I would think the same was true for the Minister of Finance, was not when opposition members rose and put questions to us, knowing full well that we could not answer them because they were not related to our ministerial responsibilities. Other ministers simply took it upon themselves to answer the questions.

(1505)

I feel my privileges were breached when, in the preamble to their questions, both the member for Roberval and the member for Laurier—Sainte-Marie made some gratuitous statements to the effect that as a member and a minister from the province of Quebec, I was avoiding answering the question and leaving this task up to another minister from the province of Ontario.

It is totally unacceptable to allege dereliction of duty on the part of a member of this House. By making such an allegation, the members for Roberval and Laurier—Sainte-Marie were hoping to cast in a negative light my work as a minister and as a member of this House who defends the interests of his constituents.

In conclusion, I ask that you reflect upon this situation and review the questions put earlier by the opposition. I think it is important that you check the blues. As the saying goes, when you lie long enough, the lie becomes the truth.

The Speaker: I will certainly reread the blues and Hansard.

Some hon. members: And the newspapers.

The Speaker: Order.

I will take this matter under advisement and get back to the House with—

Some hon. members: Good.

The Speaker: Order.

I will check Hansard and get back to the House with my ruling tomorrow.

The hon. member for Roberval on a question of privilege.

Mr. Michel Gauthier (Roberval): Mr. Speaker, I have a question of privilege and a point of order.

If I may, I will start with the point of order since it is directly related to what has just been said.

Mr. Speaker, I would like to have your opinion, which is part of your mandate, because my colleague raised the question of privilege in reference to comments made by a government minister. I admit that he may not have been speaking about something which falls within his area of responsibility but that is not my problem. I can question as I see fit, and my colleagues can also question any comment made by a member of the government because they are supposed to act responsibly. If they do not, that is a different problem.

I would like you, Mr. Speaker, to rule on this, and take the time to do the necessary research, so we can know whether the Opposition is allowed to question in accordance with Standing Orders any member of the government who has made a public statement, even if this statement is not directly related to his or her department.

I would like to have your opinion on this at your convenience and, if I may, I will now move on to my question of privilege.

The Speaker: I will make enquiries. I will get back to the House and give you my opinion.

Mr. Gauthier (Roberval): Mr. Speaker, the breach of privilege committed in this House has to do with the industry minister's comments, which I find totally unparliamentary, unworthy of this House and unacceptable. In his comments, the minister tried or seemed to criticize my attitude or the way I phrased the question or the way in which he perceived me.

(1510)

I find it totally unacceptable that, within the framework of the parliamentary game, a government minister's only way of defending himself against the verbal jousting and the questions asked in this House is to try to humiliate, discredit and or be rude to a member of this Parliament.

Business of the House

Mr. Speaker, I would like to tell you that, as the Opposition House leader, I think that the Minister of Industry has violated these privileges and I demand that he withdraw his comments without further ado. That is what I demand.

The Speaker: As you know, I do not remember everything that has been said today but, for my colleagues, I will certainly go over what was said in context. I will take the request of the hon. member for Roberval into consideration and get back to the House with my decision.

Hon. John Manley (Minister of Industry): Mr. Speaker, I would like to give a short response.

[*English*]

There are many traditions in this House. You, Mr. Speaker, are the master of the rules of this House and you rule. I do not think this is a point of privilege but perhaps a point of order that is being made.

Surely we deprive this House of a great deal if it becomes inappropriate for a member of Parliament to recall a famous quotation from the Bard himself in response to a situation that arises.

The Speaker: I will take under advisement the interventions of members of both sides. I am not sure we have a point of privilege but I will treat it as either a point of privilege or point of information.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, unlike the minister, we do not want to make it into a cultural issue. This is about the privileges of the hon. member for Roberval. On the subject of culture, I could quote Confucius who said something along the line of culture is like jam; the less you have, the more you spread it.

Some hon. members: Oh, oh.

The Speaker: Order, please. At this rate we are going to start singing songs.

[*English*]

I want to take a point of order from the member for North Island—Powell River with a correction.

* * *

POINTS OF ORDER

MEMBERS STATEMENTS

Mr. John Duncan (North Island—Powell River): Mr. Speaker, yesterday under Standing Order 31, Statements by Members, I talked about a new federal building of 120,000 square feet. I would like to correct the record. The correct number is 40,000 square feet. In my metric conversion I cubed rather than squared.

The Speaker: Your point of order will be corrected in *Hansard*.

The question on business of the House. The hon. House leader. First we need to have a question and then we are going to have an answer.

[*Translation*]

Mr. Michel Gauthier (Roberval): Mr. Speaker, before you recognized me to I could put that question, I indicated to you that I would have a previous question. It is a simple inquiry about the question of privilege I have raised.

I just wanted to ask you—and it is perfectly in order—if, after ascertaining what words were spoken by the Minister of Industry, you found that the minister had indeed exceeded his rights as a parliamentarian and made unspeakable remarks, I just wanted to know if you will then ask that he withdraw his remarks, as I have requested?

(1515)

The Speaker: As I said earlier, I will review the matter because I do not remember the exact words.

If unparliamentary language was used, I will then make a decision based on this review.

* * *

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval): Mr. Speaker, I would like to ask my hon. colleague, the government house leader, what the business of the House will be for the days to come.

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, in giving the weekly business statement I want to assure all colleagues and you that I will not say a word about the subject of culture.

Tomorrow the House will resume consideration of second reading of Bill C-22 regarding Pearson airport. If that is completed we will continue with second reading of Bill C-16 respecting the Sahtu agreement.

If on Friday we have completed second reading of Bill C-22 and C-16, only then on Monday will we consider second reading stages of Bill C-23 regarding the Migratory Birds Act, Bill C-24 respecting the Wildlife Act and Bill C-12 regarding the Canada Business Corporations Act.

Tuesday, May 3 and Thursday, May 5 shall be opposition days. On Wednesday the House will resume debates that have already been commenced. I want to consult with my colleagues opposite about this business at our regular weekly meeting of House leaders next week.

This concludes my statement.

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GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—AGRICULTURE

The House resumed consideration of the motion.

Mr. Alex Shepherd (Durham): Mr. Speaker, it gives me great pleasure to rise in the House this afternoon to speak against the motion by the hon. member for Québec—Est.

Part of that motion talks about the government's lack of action in the agricultural sector. I find this an insult to our agricultural sector. I do not believe that farmers have the intention of coming here with their hands out looking for favours from our government.

I would like to talk about my riding, the riding of Durham, which is a large agricultural sector. It includes Uxbridge, Scugog township, Bowmanville and Orono. These places are well known for their agricultural background and indeed not only in the riding but throughout Canada. They show their cattle at the local royal agricultural fair and compete with some farmers from Quebec.

In my riding agriculture is the second largest industry, second only to General Motors.

My years of living with these people and acting as an adviser to them and farming myself has taught me of their great independence and integrity. They do not depend on government to run their local every day operations. Today I am sure that many are out on the land cultivating and preparing for their spring crops.

What is the role of government and how does it interact with our farming community? What has the government actually done to foster this development?

I would like to talk about three basic areas. One is trade. As some will know, we have just recently culminated our trade negotiations in GATT in which we have had a change in our system from the supply management system to a tariffication system. We spent a great many days and hours in this House debating these negotiations. Indeed, our agriculture department has been involved on an hourly basis dealing with this.

(1520)

This even continues after the culmination of GATT as we try to get side agreements with the Americans dealing with some of our problems with durum wheat and so forth. In fact, the government has been committed to representing the interests of farmers. I can assure members that the farmers in my riding that I have talked to are indeed happy and proud that our government has stood up for their interests. They realize they did not get everything they wanted from the GATT negotiations.

Having said that, I go back to my original premise. They are proud and independent people. They look at the GATT negotiations and the new trade opportunities as great challenges for Canadian farmers. They look at things like NAFTA and new markets created both in the United States and now in Mexico.

Only last week a number of farmers attended at my office. Their promotion was not that they were upset with the actions of the government, indeed not. They wanted to attend a trade negotiation in South America. They wanted to find out more about bean farmers in South America. I am happy to say that I transferred those comments to the Minister of Agriculture and Agri-Food who is considering this.

Another of these farmers had realized the great opportunities presented by the North American market and developed a food processing plant. Many of the farmers in the area got together to support this. This production facility which basically fast freezes vegetables ships 100 per cent of its output into the American market. These are great opportunities that our farmers are realizing.

I would like to speak of another area to do with research and development and our government's commitment to Canadian farmers in the areas of research and development. Our ability to innovate depends on a commitment to research. Agri-food research has produced some exceptional economic gains for Canada.

Perhaps the best example is the development of canola. From humble origins as rapeseed grown during the Second World War to produce a marine lubricant, canola has become one of our most important export crops worth almost a billion dollars.

The Cinderella story of canola is well known but it is still worth noting that researchers at Agri-Food Canada used selective breeding to reduce or eliminate undesirable aspects of the oil and produced a high quality oil substitute for human consumption.

There are many other good examples of innovative thinking in agri-research. For instance the research centre in Lennoxville, Quebec has adapted a technology that helps detect a generic mutation in pork that reduces quality. This technology will help pork producers sell their products into lucrative markets but also very selective markets in Asia.

I should interject at this point to note that as we stand here the Minister of Agriculture and Agri-Food is in southeast Asia promoting new markets for Canadian agricultural producers. I am proud to say that I have taken some of those initiatives to heart in my own riding and suggested to some of our dairy producers who export cattle around the world that they should also be focusing on southeast Asia.

Furthermore, I would like to mention that CIDA has an agricultural dairy operation testing in southern China at this very moment. We hope that some of the benefits that will flow

out of that are increased cattle production and shipment to China.

Carrying on with research and development, the Saskatoon Research Centre has developed a new type of sunflower called sunola that is heat and drought resistant. This crop can be grown further north than regular sunflowers and produces a healthier oil. Contract production began in Saskatchewan in 1993 on about 100,000 acres.

The department is also a major player in the development and application of biotechnologies like natural pest controls for the improvement of agriculture and agri-food products.

In these times of fiscal restraint expanding our budget for agri-food R and D is just not possible. But the minister has made a firm commitment to maintain current research funding levels by absorbing administrative costs in other parts of his department.

(1525)

At the same time the department is ensuring that research priorities are driven by market opportunities. Better focused R and D is critical to global competitiveness and economic growth. It is now increasingly important for us to develop low cost processes and the new products we need to capture new markets. The future holds great opportunities and potential gains for biotechnology and from value added non-food products such as ethanol.

Canada is not alone in this field. Our agri-food sector has a lot of competitors. While Canada has a strong record on public investment and R and D our competitors invest more overall, that is public and private sector research and development, than we do.

The main challenges the government faces are to keep R and D funding at least at current levels to ensure that research priorities are driven by market opportunities, to stimulate industry investment, to look into ways of increasing the accessibility of venture capital for new products and development, to ensure that the right technologies get to the right people as quickly as possible.

R and D unlike other expenditures cannot be turned off like a tap. It requires careful planning. Because of inadequate support for research in the past, Canada has already missed the advantages of leadership in some areas. They will change policies that act as disincentives to the private sector in investment in agri-food technologies.

I would like to go on to a further section and that is to deal with our taxation policies. In Canada we have a very favourable tax policy toward farmers. It is called cash basis accounting. It means that you can buy cattle and so forth and write them off for tax purposes. This has existed in Canada and indeed Quebec for

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many years. It allows our farmers to build up big inventories of cattle and livestock without paying any income tax. This program of course is being continued by our government.

I look also toward the last budget. There was much talk about losing the \$500,000 exemption for farmers. I am proud to say that our finance minister has listened very well to the needs and concerns of farmers and kept this in place.

I note also that we are debating through the finance committee, of which I am a member, the GST. One of our major concerns is to reduce and to avoid taxing farmers and try to make that tax simpler for farmers so that they do not have to get involved with the accounting and so forth for it.

As you can see, Mr. Speaker, almost everything the government has done has been for the best interest in advancing the best interests of farmers.

I would like to go back to where I started and that is that this motion is inconsistent and makes farmers feel they have to be dependent on government for everything. This is just not the case and it is unworthy of Canadian farmers.

[*Translation*]

Mr. Jean-Paul Marchand (Québec-Est): Mr. Speaker, I appreciate the hon. member's remarks. Today's motion does not really deal with research and development in Canada, but with the department of agriculture's lack of spine, its lack of leadership, and the lack of direction in agriculture.

It is quite true that in the R and D sector, scientists across Canada are making all kinds of discoveries, and that is good. Developments regarding new varieties of wheat and seeds are desirable. As a matter of fact, we would like the government to find more funds to support R and D. As the hon. member mentioned, the opening of new markets depends first and foremost on R and D.

The government is lacking initiative even when it comes to R and D, the member admitted it himself; investments in that area have been frozen. If it really had the interests of farmers at heart, the government could at least increase its funding of R and D for agriculture. I repeat, the motion does not deal with Canadian R and D, but with the government's lack of leadership and initiative. We could give you many examples of this lack of initiative such as the negotiations with the United States for which some Liberal members tell us that the government has taken a tough stand, when we know that in fact they are completely caving in.

(1530)

[*English*]

Mr. Shepherd: Mr. Speaker, I want to thank the hon. member for his comments. I am as sure as we breathe here today that Agriculture Canada is undertaking research and development. The hon. member is probably correct in the sense that we cannot

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increase funding and many aspects of our government have been curtailed. That is just the way it is.

I can assure the member that research and development continues as we breathe today. Indeed I find it very hard to accept this concept of lack of initiative. As we stand here the minister of agriculture is in southeast Asia promoting new markets for agriculture in Canada. It seems unbelievable that the member would think this way.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my distinguished colleague across the way who just gave us this very excellent discourse is an accountant by profession. Obviously he knows how to count things well and proper.

I wonder how he can reconcile for me the Bloc Quebecois policy whereby on the one hand it is saying today that we must reduce the number of specialists in agriculture and hire—as the member for Quebec—Est said this morning—more farmers to be in the agriculture department. A couple of hours later it was saying hire more scientists in agriculture, which is the opposite of the previous argument.

I wonder if he can also tell us what he thinks as an accountant of a party that asks us to decrease overall budgetary expenditures and at the same time today is telling us that we are not spending enough.

Can he reconcile that kind of accounting for us, because I am having some difficulty. Perhaps the professional judgment of my colleague across can help us understand this Bloc Quebecois modern math.

Mr. Shepherd: Mr. Speaker, I thank the hon. member for his question. Of course I do not know if the math in Quebec is different from that in the rest of Canada. It appears that perhaps it is.

I do not know how it balances things from one hand to the other. It seems that it lives in a different world than we do. It must be a great place to be, it must be a tremendous fairy land in some ways where you can have your cake and eat it too constantly. I find that very hard to believe. I think we have to have a more honest approach to these problems. I am sure farmers in all of Canada want a more honest approach.

Mr. Charlie Penson (Peace River): Mr. Speaker, I certainly welcome this opportunity to speak on this very important issue of agriculture.

My family and I are actively involved in operating a 1,100 acre grain farm in northern Alberta and so agriculture is very near and dear to my heart. Agriculture is important to my riding of Peace River as well because it is a very large industry. No one has any doubt that agriculture is crucial to Canada.

Although Canadian farmers have been hard hit with a trade war that has lasted many years, in 1992 alone we still managed to export over \$12 billion of agriculture commodities. Wheat and other cereals are our leading exports, with principal destinations being China, Korea and Japan. Live animals, meat and meat products are also important, with exports bound for the United States and Japan. Oilseeds, mostly canola, go mostly to Japan in raw form and to the United States in the form of processed oil.

In 1991 a total of 867,000 people resided on farms in Canada and total receipts from those farming operations came to \$23 billion. We also know that agriculture has one of the highest spinoffs in terms of job creation.

Today we are being asked to condemn this government for its inaction with respect to the agriculture sector which is presently being confronted with the largest restructuring it has faced in the last 30 years.

(1535)

Restructuring is something that agriculture and farmers are familiar with and has happened since Canada has been inhabited. My response to this question is yes, the government can do more. However, in the area of trade we have made a very good start even though it is only a start.

Canada is a trading nation. One out of every four jobs in this country can be linked to trade. Therefore we must push for trade liberalization both at home and abroad. This means moving beyond what has been negotiated at the first phase of GATT. We must work within the World Trade Organization to lower remaining trade barriers at a faster pace so that those sectors that have natural advantages can compete and win markets without the support of the treasuries of those countries.

We welcome the agricultural trade rules that GATT has brought us. Let us examine some of those rules.

Number one, overall tariffs on agriculture goods will be reduced by 36 per cent with a minimum reduction of 15 per cent for each specific product. Implementation will take place between 1995 and the year 2000 in six equal annual steps.

Number two, countries will be compelled to reduce internal support of their agricultural industries by up to 20 per cent over six years where such support has the effect of distorting trade. Countries will be committed to reducing export subsidy expenditures by 36 per cent and reducing the volume of subsidized exports by 21 per cent over the next six years.

Supply managed products will now be subject to tariff barriers instead of quota restrictions. It is true that the supply managed sectors need protection for a time to adjust to the free market conditions. I would think that 10 years should be quite enough time for that adjustment process to take place.

It was evident at the GATT negotiations that Canada had no support for article XI. The world has moved beyond that. We are

looking for liberalized trade throughout the world and Canada simply could not sustain any argument for article XI support.

My concern is that having set our tariffs for certain products at excessively high levels, we are inviting challenges from our trading partners. Let me give members a run through on a quick list. We have set our tariffs on eggs at 192 per cent; yogurt, 279 per cent; chicken, 280 per cent; milk, 283 per cent; ice cream, 326 per cent; and butter, 351 per cent.

I would like to elaborate a little on that last tariff. The domestic price of butter in the United States is \$1.54 per kilogram. Once transportation and the 351 per cent tariff are added and the American dollar is converted to Canadian, that same kilogram of butter will cost \$10.15 in Canada. That compares with the Canadian support price of \$5.32.

The tariff makes American butter almost twice the price of Canadian butter. Is this not overkill? Is this not a reeling example of overtariffication? Obviously the tariff is way out of line. It is obvious we will not see any trade in butter for many years to come. Yes, let us help the supply managed sector move toward becoming a self-sustaining industry but let us be fair and not jeopardize the trading opportunities of those agriculture sectors that are competitive by suggesting blatantly high tariff rates for dairy and poultry products.

I suspect the true test of these high tariffs may come from our own Canadian consumers. Why should they stand for excessively high prices? Furthermore, high tariffs seem to be a contradiction to the spirit of the North American free trade agreement whose benefits Canadian consumers are eagerly awaiting.

I would like to talk a bit about the grain industry which I believe will see slow but steady improvement. Here we must push for a faster action to reduce overproduction, subsidies and import quotas worldwide. As an example, western durum wheat farmers are now facing restrictive import quotas from the Americans who accuse us of subsidizing our wheat exports.

(1540)

The truth is that on four separate occasions a binational panel has dismissed these allegations by the United States. It is the American's own export enhancement program which encourages exports of Canadian wheat to other countries which is at fault. This program has left the Americans with shortages which Canadian wheat fills. Now American farmers are crying that Canadian grain has filled their terminals.

This is the exact type of program that has so devastated the agriculture industries in countries like Australia, Argentina and Canada that had the small treasuries and cannot back their farmers up to the degree that they do in Europe and the United States.

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I believe governments must move quickly to free trade. Otherwise the initial optimism of the GATT signing will be lost. The big challenge for the new World Trade Organization which replaces the GATT in January will be to define what happens at the end of the first six years. I say that our goals should be to strive for a no subsidies, no trade barrier situation in a total time frame of 10 years.

Unfortunately there is no time to address other important issues in detail. I know that my colleagues here are going to be speaking about some of those issues, although I do want to touch on them briefly.

However, we have to have a responsive, deregulated transportation system in Canada. I also believe the Canadian Wheat Board should have a democratically elected board of governors and a system that is market driven.

Canadian farmers are hard working, proud people who would rather receive their income from the marketplace than from government subsidies. Our farmers offer the Canadian public a quality product and the security of a reasonably priced food. Canadian farmers have a worldwide reputation for supplying quality products.

What do farmers want from our government? They expect protection from unfair trade practices of our competitors. They want the protection of fair trade rules throughout the world. They want our government to push to reduce subsidies worldwide so that they can benefit from free trade. They want governments to live within their means which will lead to lower taxes and lower input costs. Finally, they want governments to reduce regulations and unnecessary programs.

I believe Canadian farmers can compete anywhere in the world, given a fair opportunity. I believe our Canadian farmers will adapt and prosper under the new trade environment. I believe they do not need more than 10 years to make these necessary adjustments.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I enjoyed the hon. member's remarks but I have questions on two issues that he raised.

One is the deregulation of transportation which he has been advocating. I wonder what the arguments are in favour of doing that given our experience this past crop year in shipping into a deregulated market, namely the United States which is relatively deregulated in transport. Our hopper cars hauling wheat and durum into the United States have a turnaround time of something in the order of 40 days or more before they are dumped and returned in a deregulated system. In Canada under regulation the turnaround time is 13 to 15 days.

I wonder if he would comment on the advantages of deregulation given that experience. Would he also explain a little further why he was so critical of the proposed high tariffs on butter and dairy products between ourselves and the United States and

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other countries. In reality most of the likely trade in dairy products will be between Canada and the United States.

Given the fact that it is impossible for us to export anything into the United States by way of dairy products, the reality is that its tariffs will be as high or higher than ours given that it has had a GATT waiver all these years on dairy products.

(1545)

This is one of the reasons that Canada was very loathe to implement the GATT ruling that the U.S. got prior to these last negotiations forcing us to open our markets to its yogurt and ice cream. The facts of the situation are that if we had opened the border we could have bought ice cream and yogurt, put it in the freezer or fridge of our motorhome in order to go down to Arizona and hit the border only to find that we could not take those American products into the United States because it was absolutely illegal to take dairy products the other way.

I wonder if the member would tell us about deregulation and if he does not recognize that there may be some fairness to the high tariffs on dairy products.

The Acting Speaker (Mr. Kilger): The member for Mackenzie has put his 14 years of experience to good use today and I would ask the member for Peace River to reply.

Mr. Penson: Mr. Speaker, I would like to thank the member for Mackenzie for those questions.

First of all I believe that deregulation in the transportation industry is necessary. We have to have a very practical solution to movement of products. They should move by whatever method is the cheapest form and they should move in whatever route is the most direct and cheapest.

I think when he talked about the hopper cars going into the United States and the turnaround time, part of the reason for that is the very regulated system we have with the crow rate where we have seen grain going as far out as Thunder Bay and then back into Saskatchewan and crossing the border. That does not make any sense at all.

I believe we have to look at practical solutions to problems so that Canadians can face the reality of the nineties and adapt to the new trade environment.

In terms of high tariffs and why I am critical of the high tariffs, I believe these tariffs are put in place as an adjustment process to let our industries adapt over a reasonable period of time from a system of supply management with a lot of regulation to free trade. I think that can be done fairly quickly. These tariffs are set probably high on both sides of the border, but that does not excuse either side.

It is in our interests when we have just signed a trade deal with the United States and Mexico that says we want to move to free trade among all three countries in a short period of time to phase these out very quickly.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, it is a privilege and a very great interest of mine to be involved in a discussion in this House on agricultural issues.

Coming from the riding of Kindersley—Lloydminster where most of us make our livelihood either directly or indirectly from agriculture, myself included, I feel it is a very important issue and I appreciate the chance to speak to it. I have chosen to address the problems that many farmers face in the marketing of their produce and the federal agency responsible for prairie grain marketing, the Canadian Wheat Board.

The Canadian Wheat Board should more appropriately be called the prairie wheat board, as its mandate limits the board's activity to the three prairie provinces and a small part of British Columbia in the Peace River area. There is a similar organization in Ontario called the Ontario Wheat Board. I find it is one of the best kept secrets across the prairies that in fact the Canadian Wheat Board is not a national board but a regional board. Many producers I am finding in my part of the world did not even realize there was an Ontario Wheat Board.

This Ontario Wheat Board is rather interesting. It was established in 1958 by a vote of Ontario wheat producers. It operates under the authority of the Ontario Farm Products Marketing Act. There are 18,000 wheat producers in Ontario and the Ontario board is run by 10 directors who are elected by the producers. The board operates on a one producer, one vote system. Each of the 10 directors represents a geographic district within the province. Each district elects one delegate to the annual meeting for each 250 producers within that district. The directors are then elected from among those delegates.

The Canadian Wheat Board on the other hand has 137,000 producers or permit book holders, compared with the 18,000 farmers who control the Ontario board. Many opponents of a producer control system claim that the government will not guarantee initial prices for a depoliticized organization like the Ontario Wheat Board.

However, the realities are that the initial payments are guaranteed for both the Canadian Wheat Board and the Ontario Wheat Board.

(1550)

The wheat board act limits the Canadian Wheat Board's activities to wheat and barley grown for human consumption. The Ontario Wheat Board is mandated by statute to limit its activities to wheat production and marketing within the province of Ontario. This demonstrates that there are some differences and some similarities in the scope and the influence of a

producer directed organization compared with one which is government run.

The single biggest difference between the two is that the Ontario Wheat Board is democratic and the Canadian Wheat Board is run by a panel of three to five commissioners who are appointed by the governor in council. This means that the minister is usually the one who recommends the names.

The Canadian Wheat Board is a crown corporation and its commissioners are political appointees. Nevertheless, producers pay for all of the operations of the board through the amount subtracted from the final payments for the producer's grain. In fact, most agriculture marketing agencies, including those in the supply managed sector, include producers in the decision making and managerial process. The Canadian Wheat Board is the odd man out, being a top down, government run corporation.

Many farmers in western Canada are not happy with the actions of the Canadian Wheat Board and the way it is run. Far too much time and energy is spent in all places, from the courts to the coffee shops, trying to determine what the powers of the board should be, what commodities should be added or left out of the wheat board's mandate, should farmers be selling their grain on a contract basis or under the quota system or both, and in that case what proportion for each.

There is much discussion about the board's monopoly power versus the principle of marketing options. Perhaps one of the biggest irritants today is the wheat board's involvement in grain car allocation. My hon. colleague from Lisgar—Marquette discussed that situation from the aspect of the western grain transportation authority as well. There are many fingers in the pot here. It seems like the end result is that the service is not very good.

What sticks in the craw of so many producers is that these complex issues to which there are no easy solutions require solutions, but the producers have no substantial say as to how these problems are to be solved.

Another great disadvantage to the Canadian Wheat Board being an arm of the government is the way that new wheat prices or final payments or price changes are announced. It was common in years past for ministers of agriculture to play politics with the announcement of either price increases or decreases. Farmers were used as pawns, waiting for the right kind of announcement so that the minister could get as much political mileage or minimize the political fallout from grain price announcements.

We as Reformers have been quite clear on the direction of marketing reforms. It is paramount that the Canadian Wheat Board be democratised. It must be accountable to the producers it serves and producers must have the ability to change or update

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the mandate of the board when they feel their interests could be better served.

Producers must have control over how their grain is marketed. We must remember that it is after all their grain. If producers decide through a democratic process that the mandate of the board should be expanded to cover other grains and oilseeds then the act should be changed to respect the wishes of producers. If this is done they may choose to provide opting out provisions for niche markets. The purchase of grains on a cash or pool basis might be considered to improve current marketing arrangements. We would like to see the expansion of producer contracts if farmers so desire.

Once the board is democratised the decision will be up to producers to make, but we feel that the Canadian Wheat Board should maintain its responsibility for initial payment shortfalls. Government loan guarantees for export sales should also be continued for as long as other nations do the same.

We have a responsibility to recognize that change is required because present realities in the agriculture industry are different from when the Canadian Wheat Board was brought into existence.

My father was a pioneer. When he first delivered his wheat he had to hitch up a wagon and a team of horses and haul that wheat 26 miles to a small community called Waldeck, Saskatchewan. When he got there he did not know what the price was going to be. He did not know what the grade of that grain was going to be. There was a requirement for change in the way our products were marketed and we saw improvements to the system which enabled him to have some protection in the marketing of his product.

Today's situation is different with modern transportation and modern communications. In fact, we cannot maintain a system that was intended for 30, 40, 50 years ago. We must be prepared to look to new and innovative means of marketing our products.

(1555)

We know from the Ontario example that a producer controlled system is possible. That particular organizational model may or may not fit on the prairies, but I feel that the principle of a producer directed process does. If we give farmers the chance to design, control and continually update their marketing system a much more effective, fair and cost efficient Canadian Wheat Board would result. As legislators we would give it the freedom to act.

In conclusion, I would like to express my appreciation for this time being allotted for a discussion of agriculture. The government seems to have put a very low priority on agricultural issues. On behalf of all the farmers of Kindersley—Lloydminster and all of Saskatchewan, I am grateful for the opportunity to try and solve some of the very important issues facing rural Canada.

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Mr. Wayne Easter (Malpeque): Mr. Speaker, I am having difficulty sorting out where the hon. member is coming from relative to the Canadian Wheat Board. There is no question that this government showed leadership during the campaign and since the campaign.

I would quote out of the red book what we said on the Canadian Wheat Board and that is what we were elected on: "Canada's agri-food industry needs policies and programs such as supply management, the Canadian Wheat Board and stabilization programs to minimize the impact of market price fluctuations".

We ran on a campaign of strong support for the wheat board and we are continuing to show that. I recognize there is a debate taking place in the west. I have been inundated lately with petitions asking to strengthen the Canadian Wheat Board and expand its powers.

The member wants some components of the wheat board it seems, but not its all. I am wondering if he has anything to comment on in terms of the Canadian Wheat Board advisory committee. The Canadian Wheat Board advisory committee is the legitimate, elected producers who act in an advisory capacity to the wheat board. Clearly, during the last election eight of the eleven were very strong, orderly marketers.

I am wondering what the member's thoughts are relative to the Canadian Wheat Board advisory which is calling for us to maintain the powers of the wheat board, that it is the sole seller of export wheat and barley.

Mr. Hermanson: Mr. Speaker, I am happy to respond to the hon. member for Malpeque. I feel some affinity knowing that he also has provided for his livelihood. He also chews gum like I do and he forgets to do up his jacket like I do. I do feel some affinity for the hon. member.

I am also very happy to respond to his question because I think living in western Canada I am closer to some of the issues that he is talking about. I would like to just remind the hon. member that you cannot have it both ways. I know that his government was committed to a referendum or a producer vote of whether there should be a continental barley market. I favoured that when he favoured it. That was before the decision was made that there not be a continental barley market.

The hon. member and his government have changed their minds since the court ruling has been reversed. In fact, the continental barley market was ruled illegal. I have not changed my mind. Neither has my party. We still believe that producers should be in the driver's seat and make these decisions.

The hon. member on the other side is saying that as long as things are going the way my personal philosophy dictates, I am happy to put producers in the driver's seat. But as soon as my own views and the views of producers begin to differ, then I want

to have control. I want to politicize this thing. I do not want to let go of the administrative control of the Canadian Wheat Board.

I am saying to the hon. member that he cannot have it both ways. You are either going to trust producers or you are not going to trust them.

I would also tell the hon. member that I spoke recently to an organization with which I know he is quite well acquainted, the local chapter of the National Farmers Union. We discussed the advisory council and it was of the same opinion as I am. In fact, this advisory board is a rather useless organization because it has no impact whatsoever as long as the wheat board is controlled by the Government of Canada and the political process rather than the producer, grassroots, bottom up process.

(1600)

I thank the hon. member for his questions. I hope I have shed a little light on where we are coming from on this side of the House in trying to solve the problems of producers by trusting them rather than taking over the decision making process from them.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am very pleased to have the opportunity to participate in this debate. I want to draw the attention of this House to the policy and initiatives of the government regarding an important sector of the Canadian economy. I am referring to the agricultural and agri-food industry. More specifically, I want to talk about the dairy, poultry and pork industries, for which quotas are in place.

Mr. Speaker, as the member representing the riding next to mine, I am sure you will agree on the importance of quotas in the agricultural sector.

The main objective of the Liberal government's agricultural policy is food security for Canadians and decent revenues for all our farmers. Supply management, which is a system put in place by a Liberal government almost a quarter of a century ago, confirms the merits and the success of this policy.

You all remember former Liberal minister Eugene Whelan. I know that the hon. member for Québec—Est knew him well, because I think that at one time he worked in his office. Mr. Whelan's daughter is now a member of this House and she also does a very good job of representing the interests of farmers, as do the hon. members for Haldimand—Norfolk and Prince Edward—Hastings, and also the minister of agriculture.

As I said, in the early seventies, the Liberal government of the time put in place regulated marketing programs for the dairy, poultry and pork industries. This system is based on two basic principles: domestic production quotas and, of course, efficient control over imports to protect the quotas.

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Supply management stabilized farmers' revenues, and ensured the supply of top quality and healthy food products to Canadians, while also providing an important regional economic development tool.

For the benefit of opposition members I would like to mention again the considerable accomplishments of this government regarding supply management. Less than six weeks after being elected, the government had already negotiated an agreement under GATT which is acceptable to the agricultural sector, and which ensures that supply management will enable us to meet the challenges ahead and take advantage of the opportunities provided by GATT. This is what we call effective and concerted action.

I would like to quote from an article written by Mr. Pierre Glaude and published in the December 20, 1993 issue of *Agricom*, a newspaper in my riding: "The goal is the same", said the new chairman of the Union des producteurs agricoles du Québec, Mr. Laurent Pellerin, "only the means to reach it have changed. The organization is trying to reassure its members. Under the new GATT agreement, supply management programs will be maintained through tariffs".

In other words, contrary to what some members opposite have said, the spokespersons for the Quebec agricultural community consider that the measures taken by our government were successful in protecting our quotas.

Not only in Quebec do farmers and their representatives make such statements. In my riding, people agree. Representatives of the farm industry maintain that the new tariffs will protect our quota systems.

This may be the best argument I could use to show how much Canadian farmers still have confidence in our quota system and why members opposite should not try to undermine that. The confidence of our farmers is what enables us to maintain the value of our quotas. Quotas have increased in value since the GATT accord was signed. What does this tell us? It tells us that the agricultural community is confident and takes position that supply management will be around for a long time. After all, people do not buy quotas, and certainly not on credit, when they expect these quotas be phased out very shortly. The agricultural community believes, as we do, that quotas will be around for a long time and will be protected by the new tariffs negotiated with other countries.

(1605)

Speaking of tariffs, I have here, as I mentioned it this morning, a list of the tariffs tabled by our government at GATT, and I want to point out that the United States raised no objections to these tariffs. We must have tabled hundreds of pages of agricultural tariffs in Marrakesh, but no objections were raised

by the United States. In the dairy sector, tariffs of around 300 per cent were mentioned, and I disagree with the way the Reform Party Member calculated the price of those tariffs. In any case, these tariffs will be reduced by 15 per cent over a period of six years, not 15 per cent annually but 15 per cent over six years.

In the Liberal red book, and especially in the policy paper on agriculture, the government was committed to staunchly defending our supply management programs at the GATT negotiations. That is what the Liberal government did, and it succeeded. It managed to obtain a tariff system under which we will be able to maintain our marketing boards and supply management and everything that entails. As a result, the impact of fluctuating prices will be kept to a minimum and farmers as well as food processors will be guaranteed a decent income.

During the Uruguay round, the Liberal government did everything it could to defend Canada's supply management system. We should remember that the position of the Canadian government during the weeks leading up to the GATT agreement was established in consultation with the agricultural sector. Furthermore, the minister of agriculture worked very hard with colleagues and senior officials to ensure that all sectors in Canada's agriculture industry would not only survive GATT but also be able to take advantage of the opportunities provided in the GATT agreement.

Earlier, the Official Opposition's finance critic said that everyone in the agriculture industry had lost at GATT, but nothing could be further from the truth. The agricultural industry made major gains at GATT, and all members opposite know that perfectly well. They know about the US farm bill which dates back to 1985 and which the United States used to subsidize its agricultural industry and thus harm our exports.

Some US \$70 billion were paid out during the first five years of this American farm program, and we know that the purpose of this program was to take away part of the market share held by other countries, especially countries in the southern hemisphere, but of course Canada was also affected by the U.S. Farm Bill, though it was not the main target. The United States wanted to react against overproduction and the fact that other countries, after the crisis in Afghanistan, had tried to sell wheat and other products to the Soviet Union and thus take over part of the so-called traditional market share of the Americans.

(1610)

The members opposite know this, just as they know that our farmers could no longer continue receiving large farm subsidies, given the major losses experienced in the sector. Some members opposite even admitted as much a while ago. That is why the government had to work with other countries for the good of the entire agricultural community.

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First, it had to work to strengthen the laws governing supply management. As we know, there were problems with some of these laws. You may recall the incident with ice cream and yogurt, following the adoption in 1988 of the free trade agreement, which moreover was endorsed by the current Leader of the Opposition. Hon. members will also recall that the FTA led us to lose our case with respect to quotas on ice cream and yogurt. These were restored with the GATT agreement.

With respect to the grains sector, some of the subsidies from other countries have been reduced, thereby allowing us to market our products. New markets have been found for Canadian products. Our ministers have worked hard and so has the parliamentary secretary. The agricultural sector has been well treated by our government and we have just begun our work. We have only been in office for six months and we have already accomplished a great deal. And we will accomplish even more in the future.

Mr. Jean-Paul Marchand (Québec-Est): Mr. Speaker, I sometimes wonder if the hon. member who just spoke is really from Glengarry—Prescott—Russell and not an extra-terrestrial being from the moon, because it is abundantly clear from his remarks that he does not understand what effect the GATT Agreement had. And he does not seem to believe the farmers, as if they had not figured out what happened with GATT.

For example, to say that quota values had increased following the signing of the agreement, or that the quota system will be in place for a very long time, that is ridiculous. Especially since farmers are aware that the quota system is under attack due to tariffs and they may not be confident in what has happened, as witnessed by the Ontario chicken producers. Why did they increase their production by 30 per cent if not as a clear indication of their lack of confidence in the system? They know how the market works.

You have to do more than tell farmers that all is well, that everything is perfect in Canada, to make things work. Farmers understand very well what is going on. It is the hon. member for Glengarry—Prescott—Russell who, sadly, does not understand.

Mr. Boudria: Mr. Speaker, the hon. member opposite tells us that quotas will not survive. For 1995, the tariff for fluid milk is 283.8 per cent minimum and, by the year 2000, it will be 241 per cent minimum. Does the hon. member mean to say that these tariffs are too low? If so, how can he be so out of touch with the agricultural community?

Let me tell you what André Chabot, the president of the Franco-Ontarian Farmers' Union, had to say. I referred earlier to what the leaders of the Quebec agricultural community had said. I will now address the situation in Ontario. The hon.

member for Québec-Est is a Franco-Ontario, just like me. Mr. Chabot's letter reads: "Canadian farmers agree that Canadian supply management systems are in no way threatened by the new GATT rules. Some even see this as an improvement over the situation under article XI". Certainly a Franco-Ontarian like my chum across the way can understand that.

[English]

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, politics is a funny business. If the hon. member for Glengarry—Prescott—Russell were sitting in the opposition, I am sure his comments would be very similar to those of the hon. member from the Bloc who has been speaking on agricultural issues. It seems like the government has quite a different view now of what has happened with regard to the GATT negotiations it was involved in.

(1615)

I tell the hon. member and the House that Reform reviewed the GATT situation two years ago. The same sources should have been available to the hon. member. It became very clear that article XI would become indefensible. We were quite frank and honest in admitting that.

At the same time hon. members on the other side had not done a reality check. They were trying to tell supply managed industries that article XI was safe and could be preserved, and that they would be the agent that would preserve article XI. Reform on the other hand said it was obvious that article XI would be gone and that tariffs would have to be put in its place.

Because of that attitude supply managed industries undertook a very expensive advertising campaign involving millions of dollars to try to speak to political parties and politicians and to encourage them to take a strong position in defence of article XI which was a hopeless cause. I would hope some members on the other side would apologize for that action because these dollars were hard earned and should not have been spent on useless advertising campaigns.

Mr. Boudria: Mr. Speaker, I will not apologize for standing up for dairy farmers in my riding. It is not that article XI was indefensible. The member has it wrong. That is not what happened. If he thinks that is what happened he is mistaken.

I say to the hon. member and all hon. members that article XI was clearly defensible. It was a very good system. We gradually lost the supporters we had among other nations. That does not mean the system was bad, but we ended up on the very last day with 115 to 1. We were the only country that still wanted it. That does not mean it was bad. It was still good. We were trading with other nations and 115 of them were saying that it was no longer there.

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It is like the National Hockey League deciding that every team except one is to disband. We could wish the league to exist but if it only had one team it would no longer be there. That is easy for anyone in the House to understand, particularly after last night's debate.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I say to the hon. member that I too will not apologize for standing up for supply managed commodities and for standing up for farmers in my constituency. I do not need to apologize.

I was one who stood more than any member in the House and fought for supply management. I know what I told my constituents during election time. I made no promises that I could save supply management. I told them, though, that I would fight damned hard for it. That is what we did in this party.

I am proud of the Minister of Agriculture and Agri-Food. The Minister for International Trade with whom I have had differences on this matter in the past stood up in Geneva and told the world. Unfortunately, as my colleague from Glengarry—Prescott—Russell said, in the end we could not do it.

It is easy for the Reformers. They spend half their time in the agriculture committee—and Mr. Hoepfner over there will know he is not one of them—crapping on supply management.

The Acting Speaker (Mr. Kilger): Order. I know members on both sides of the House feel very strongly, but I think a moment ago the member was probably wanting to identify the member for Lisgar—Marquette.

Mr. Speller: Mr. Speaker, I was looking for his name. He is the same guy within that party who has been unfortunately knocking supply management. It is easy to say now, after the fact: "We knew, we knew", but it would have been better to have that party support us on this when the Americans were fighting us. They were saying: "Your party over there doesn't want the wheat board, doesn't want any of these subsidies. Members from Alberta don't want subsidies". We kept arguing that supply management was not a subsidy.

On the issue of subsidies I want to look at what Agriculture and Agri-Food Canada spends province by province. These members from Alberta keep saying: "We can do it ourselves". It is funny how much agricultural spending actually goes into the province of Alberta. In 1993 figures the amount was \$536,315,000. That was well over the percentage of farmers that they have. If I were as provincial as some members in the House pretend to be and if I were just fighting for the province of Ontario instead of for the country, I would argue that Ontario with about 25 per cent of the farmers in the country is not getting its fair share. However I understand some of the problems we have in western Canada so I will not do that.

(1620)

In my speech today I want to talk about a few issues, one of which is trade. Many of the problems we are having in agriculture today and many of the problems the Reform Party has in its own ridings are because of actions brought by other countries. In a lot of cases it is the United States against Canada. I feel they are very unfair actions.

If we are talking about the wheat issue, Mickey Kantor, the international trade person in the United States, said before the Senate committee last week that Canada was taking advantage of a window of opportunity that had been created. The reason the window of opportunity was created was frankly because of something called export enhancement that the United States uses. It is a two-price system which, by the way, we would like to have in this country. However the Reformers fought us against it and we do not have it now. It is a two-price system that has been responsible for wheat going out of the country.

As a result Canadian producers have been shipping wheat and have shown U.S. millers that we have high quality wheat that is graded and will do exactly what it says it will do. As a result U.S. millers have said: "I like that better. I know and I am guaranteed, because of the Canadian system of distributing wheat, that I will get that wheat and it will do what it says it will do".

The U.S. has been complaining that some actions we take with regard to wheat in western Canada and its shipment were unfair subsidies. That is not the case. The U.S. International Trade Commission found in 1990 that transportation subsidies were not a factor in the competitiveness of Canadian wheat. The U.S. General Accounting Office found in 1992 that there was no evidence of unfair wheat board practices. Again in 1992 in a unanimous decision of a binational panel, including a former U.S. Attorney General and former Chief Justice Dickson, found fault with the U.S. contentions.

However the panel recommended that an audit be done, which results were released last month some time. That report found that 102 of the 105 durum wheat contracts between 1989 and 1992 were fully in compliance with the provisions of the free trade agreement. Clearly the U.S. has no strong position on this matter.

I congratulate the Minister of Agriculture and Agri-Food for the tough stands he has taken. Over the years I stood in the House and watched the previous government negotiate with the Americans. I always felt that somehow we were doing something wrong in this country. I always felt as a farmer that somehow Canadian farmers were not being fairly represented by their government. I was very pleased at the GATT, with the stand the minister took in Geneva, and with some of the tough stands he has taken in terms of putting Canada's agriculture position forward very strongly.

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I want to go back to the Bloc Québécois now and the member for Québec-Est, a very good member of the standing committee who represents the views of his party well on the issue. I take exception to the fact that he is denouncing the government for lack of action in the agriculture sector. He sat around that table with us in the agriculture committee, as well as Bloc members, I might add, who add to the sense of the committee; it worked very well. In recent weeks we have looked at some of the stuff Agriculture Canada is doing. As one on the other side of the House who criticized some of the actions of Agriculture Canada, I recognized over the past little while that in fact a lot of those actions have changed substantially. They have changed substantially because the government has changed. We have given a new direction to Agriculture Canada. That direction can be found in the red book. It outlines clearly the direction we want to take agriculture into the next century.

(1625)

Looking at the money Agriculture Canada is spending in Quebec—and the hon. member asked for this information—\$371,723,000 have gone into the province of Quebec. According to the chart, Quebec ranks behind only Saskatchewan, Alberta, and a bit behind Ontario in this regard. Obviously with the problems they are having in western Canada with respect to wheat prices we can understand why a lot of this money has gone there.

I really do take exception to the hon. member's contention that we have not done anything. Frankly it has been six months. I do not want to use that as an excuse, but we have made some significant changes in those areas that particularly affect agriculture. I have mentioned some of those in trade and the good work the minister of agriculture is doing in standing up for trade. I also want to talk about some of the stuff we have been doing in rural development.

I come from small town Ontario, as you do, Mr. Speaker. What we have found to be happening over the past few years, especially in an area like mine that has been hit hard because of certain commodities grown there, namely tobacco. In small town Ontario unemployment rates have been rising. There has been a loss of business in stores and other areas that help farming communities. We are finding a bit of a drifting because there are no jobs, with a lot of small town people moving to the cities.

I was very pleased when the Minister of Agriculture and Agri-Food came forward with a plan to deal with rural development. He indicated very clearly that rural development was a top priority. This means rural development not only in Ontario and Quebec but in the west also where small towns are literally closing up in some places.

There is no huge pot of dollars; there is not a lot of money in this promise. Frankly there is not the money there. Instead of

money the minister plans—and we had the department before the committee today—to organize those parts of government that are specifically directing their efforts toward helping small towns and infrastructures. We are co-ordinating the machinery of government.

It really is a grassroots participation. That is the final point I want to make. The government and the minister have taken a lot of time talking to ordinary Canadians, talking to ordinary farmers. The development of the small town initiative, the rural initiative, will be through the communities themselves.

That is one of the things I am proud of. We have done very well to make sure that before we make any decisions Canadians are consulted and that the views of farmers are heard. We will continue to do that.

Mr. Jean-Paul Marchand (Québec-Est): Mr. Speaker, the member for Haldimand—Norfolk is an excellent chairman of the agriculture committee. He does an excellent job.

However today there are three points I would like briefly to correct or bring to his attention. Basically the discussion today is about the lack of leadership in government regarding agriculture. What he said would indicate even more the lack of leadership with respect to agriculture in government. For example, he mentioned rural development, which is of course extremely important, saying how the government minister indicated that it was his top priority but he did not put any money in it. What sort of top priority is that when you say it is really very important and you do not put any money in it?

(1630)

Another example is trade. He mentioned that there are many initiatives with regard to trade. Of course, the minister has gone to China to sell wheat. However, in the negotiations that are going on with the United States right now there is a problem that was created by the Americans by their export enhancement program and other issues. Of course Canada profited from this situation. Of course Canada profited from free trade with the United States, but why suddenly is Canada giving in to American pressure and putting a cap on durum wheat to the United States? It is lack of leadership.

Another example, again in dealing with trade with the United States, which really is a big item, is instead of dealing sector by sector so that we get the maximum for our bucks for Canada we put it all in one lump package. This is what the minister of agriculture is trying to deal with the United States, instead of dealing sector by sector so that he would get the maximum for his bucks. Lack of leadership. The examples were given by the MP for Haldimand—Norfolk who is a very good president of the agriculture committee.

Mr. Speller: Mr. Speaker, maybe that is one of the differences between this party and the party of the hon. member for Québec-Est. We feel that within government if we are going to

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make changes that really directly affect Canadians, in this case farmers, changes that will work in their best interest, that throwing a pot of money at them is not going to solve the problem.

We think that by taking the money we have there and spending it more wisely and making sure that money is not directed for overhead or administration but is directed into the hands of Canadians is probably the better approach.

In terms of his question on the cap on wheat, I am sorry I missed the announcement. I have not heard that there was an announcement on a cap on wheat. In fact if the hon. member might be more honest with it he will know that in fact there is not a cap on wheat yet. However, there is a question of whether or not we should negotiate a settlement.

If anyone in this House thinks that world trade is fair they do not have a clue on how the world trade system works. In fact it is not a fair system. Canada represents a very small percentage of trade done in the world. In relative terms it is important to us in terms of our gross domestic product and its importance to Canada but we are a small country. To suggest that we could stand at a table one on one with the Americans, they do not have to play fair, frankly.

The former Minister of Agriculture, Mr. Whelan, who used to sit in this House used to constantly say: "The Americans never agreed to a GATT decision because they didn't have to". It is not a fair decision. One of the points that the minister was making to them was this. He said very clearly and he said it in this House a number times that we are not prepared to trade one part of the country off against another part of the country. We are not prepared to trade one sector of this country off against another sector of the country.

In fact, if you remember both the comments by the Prime Minister and the Minister for International Trade, they were not prepared to deal with this in one lump sum. They were going to go sector by sector by sector. We feel we have a strong position. We feel that the Americans will in the end give in on this because they have to and because they are wrong. We are prepared to stand forth and fight on behalf of Canadian farmers to make sure that point of view is put forward.

[*Translation*]

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, Bloc members are very concerned with rural issues, especially agriculture. I could not say the same about the members opposite. My Bloc colleagues have succeeded in demonstrating the inequality among the provinces and the federal government's lack of action on Quebec's behalf.

(1635)

In particular, I will try to describe the situation that exists in some rural ridings of the Gaspé Peninsula, where I am from, and the lower St. Lawrence region. In the lower St. Lawrence region, as in most rural areas of the country, agriculture should play a very important role in regional development. There are 400,000 hectares under cultivation, over 260 agricultural enterprises, and sales in the order of \$190 million a year.

Our dairy products alone bring in 75 per cent of farm income and account for more than 50 per cent of agricultural enterprises. We also have 16,000 head of meat cattle, 20,000 sheep, and 30,000 pigs.

This translates into more than 7,500 permanent jobs and thousands of seasonal jobs. Forty-eight per cent of the workforce are under 40 years old.

Despite this profile, figures available for the Matépédia Valley alone show that between 1981 and 1991, farmlands declined by 22 per cent. In the same period, the number of farms fell from 420 to 285, a decrease of 32 per cent. The main cause of this reduction is the same as in other sectors.

Our regions produce raw materials for major centres, which process them before selling them back to us. When are we going to understand that, in order to grow, resource rich regions must equip themselves with the infrastructure they need to process and market their raw materials? It is much more important to us than a few sidewalks and a little road paving.

Processing and marketing also mean jobs, which we do not have unfortunately. Processing creates economic activities that give confidence to people and encourage them to start their own businesses.

We, for example, have the potential to develop beef production. But Quebec, unfortunately, is still behind in this area. Our cattle farmers must export their production outside the region without processing it. They even export calves at lesser cost without being able to finish them on site.

Over 100 valley producers have decided to spend more than \$160,000 of their own money to build a slaughterhouse so they can process in their own region the animals they breed. Can you believe it, Mr. Speaker?

That is a laudable initiative from the farmers themselves. Such an enterprising attitude must be encouraged.

(1640)

In my region people got together and are now ready to act.

After a wide ranging consultation with those concerned, the regional co-operation and development council targeted five bio-food development priorities: processing and upgrading bio-food products; diversifying crops; consolidating pro-

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duction; developing human resources; developing and marketing regional products.

The people of Matane, Mont-Joli, the Matapedia Valley and our regions know what they need to develop and know how to succeed.

Centralized decisions and programs that apply unchanged throughout the country are surely not the way for the government to boost agriculture in our region. On the contrary, decisions must be decentralized. Programs must be decentralized and adapted to regional realities. Trust the men and women who actually produce what people in the cities need to live. Economic development takes place in the field, not in the offices of senior bureaucrats.

I will give you a demonstration of this unhealthy incoherence, which is demoralizing for the farmers in my region. In March 1995, the federal-provincial agreement which included a testing and experimentation component will end. This program is the most visible of those from the federal government. With the funds it provided, this program helped farmers launch productive activities with significant benefits for our region. Ending this program will really hurt us and I say to the Minister of Regional Development that he must take a stand as soon as possible on extending it.

The regions must be given the wherewithal to do what they decided to do to deal with technological change and changing markets. To overlook the resource regions is to overlook what we are: human beings who need to feed ourselves and live in a healthy environment so that we can develop properly.

Another point that I want to raise immediately is transportation subsidies. Most of them cause unhealthy competition between the regions. They pay transportation companies to send unfinished products to urban centres, instead of encouraging local processing and helping people develop.

This shows the government's neglect. By wanting to centralize everything, it hinders development. By wanting to centralize everything, it makes people dependent. By wanting to centralize everything, it kills any initiative from local people.

(1645)

When you know that, for almost a decade now, Western Canada has been receiving ten times more than Quebec from the federal government, you can ask yourself some questions. I want agricultural producers from my region and all of Quebec to get what they are entitled to, nothing more but nothing less.

Quebec farmers are striving to reach food self-sufficiency. To that end, they have decided to: first, consolidate and develop their potential; second, make full use again of agricultural land; third, process their products themselves, to the extent possible.

These people, who generate over \$4 million in annual revenues, have the right to be considered job creators and major contractors, like any multinational company which finances the old political parties.

It is not because we live in rural areas that we cannot benefit from collective prosperity or that we should be overlooked by a system which favours big business.

Producers from the lower St. Lawrence are entitled to the same support as others. They need that help to consolidate their business, transform their products and make a profit with the added value. They have the right to hope to expand as they deem appropriate. They need help to be able to do so.

I will end with this. When game became scarce, man turned to agriculture for survival, and nothing has since replaced the food obtained from that activity. This is why rural regions such as ours need help.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I appreciate what the hon. member said, when he explained some of the problems of the farmers in his riding which is in such a beautiful part of the country.

I have a question for the hon. member opposite. If we forget the partisan comments which are of course part of the parliamentary routine, and part of our job, I think he must admit that for the past 20 or 30 years, Canadian agriculture has enjoyed unprecedented growth.

I am sure he also realizes that for instance in Quebec and Ontario, in my own riding, which is right on the border with Quebec, we see outstanding farm operations which exist thanks to the system introduced by Mr. Whelan, the former boss of his colleague from Québec-Est, other Liberal agriculture ministers and, of course, by ministers of other political formations as well.

Does the hon. member acknowledge the tremendous progress which has been made in the agricultural industry, in terms of the use of technology on the farm, the standard of living of our farmers, and especially in supply managed sectors and other sectors? And will he at least, with his usual eloquence, acknowledge the excellent job done by the former boss of the hon. member for Québec-Est?

Mr. Canuel: Mr. Speaker, I certainly agree that a number of things have been done, but it is also true that many, many farms have disappeared.

(1650)

To expand, some farmers bought big farms adjoining their own land. They modernized their operations and they used technology, of course, but I say this is not necessarily a good thing for rural communities. In a parish of 3,000 souls, if there are now only four farmers when they used to be 40, this is not necessarily a good thing. It may be the modern way of doing things and perhaps this is inevitable. That means rural communities will gradually disappear.

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If they do, small towns will disappear as well. Anyone who is familiar with our part of the country will notice that, starting at Mont-Joli, it is very hard to keep rural communities alive, because most farmers have left the area, and although dairy production has increased or remained stable, people are not there any more. I think agriculture should be compatible with rural communities, and I have no answers right now, although there must be a solution and we must find it. I am sure that, when we become a sovereign nation, we will find it more readily.

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 38, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Lévis—Manpower Training; the hon. member for Brome—Missisquoi—Hyundai Plant in Bromont; the hon. member for Regina—Lumsden—Trade; the hon. member for Hochelaga—Maisonneuve—Military Industries; the hon. member for Matapédia—Matane—Unemployment Insurance Reform.

Resuming debate, the honourable member for Kamouraska—Rivière-du-Loup.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, I am pleased to speak today during the first day of debate in this House on agriculture. We will have to remember that the official opposition is responsible for this first day of the 35th Parliament devoted to the subject of agriculture.

Some hon. members: Hear, hear.

An hon. member: We have the hon. member for Québec—Est to thank for this.

Mr. Crête: Indeed, the originator of the motion is the member for Québec—Est. In the past, he worked for a former Minister of Agriculture, Mr. Whelan, but he came to realize during this time, and probably because of his experiences, that Quebec had no future in Canada, particularly where agriculture was concerned. Moreover, you will recall that this Minister of Agriculture had the good fortune of being sprayed with milk by Quebec farmers because he could not grasp what they were trying to tell him. The only way they could get their message across to him was by spraying him in the face with milk.

On a more serious note, let them say what they will about sales and milk production figures of all other sectors. The fact of the matter is that rural communities are dying. The population of our villages has been declining for a number of years. When it has come to the point at which villages such as Saint-Paul-de-la-Croix in my riding have taken to advertising in the newspapers to attract families that may be willing to settle in a rural community, we know that we need to make some fundamental changes to the way we approach rural development and agriculture.

Right now in Eastern Quebec we can see dairy trucks go by, heading for Montreal, and that milk comes back in the form of processed cheese. That is the sort of thing we would like to be able to change so there could be a future in primary and secondary processing in our region. The fact that our communities are small does not mean that we do not have expertise in the various agricultural productions.

My riding has been the home of Canada's biggest milk producers for a long time.

(1655)

Fresh lamb is another area. It should be noted that interestingly, 30 per cent of the fresh lamb consumed in Quebec is processed in our region.

Also, farmers in Eastern Quebec, and my riding in particular, have adapted successfully to changes in the agricultural industry. The UPA may be confident in the future, but this does not mean that all government's actions automatically have its blessing. Their confidence comes from knowing that with their skills and the ideas they have come up with, they will be able to ride out this time of fundamental change brought about by GATT.

A great deal of work was done in Quebec to prepare for the future and make sure agriculture had the place it deserved in Quebec in the 21st century. Take for example the "États généraux du monde rural" and the Trois-Rivières summit where a consensus was reached on the efforts required to ensure the prosperity of the Quebec agricultural industry for the future.

I hope that the government will take that into account in planning its next move and that it will make sure the interests of the Quebec agricultural community do not get lost in the sea of Canadian and Western interests. Care should be taken not to let the durum exports issue adversely affect advocacy for farmers in Eastern Canada, and Quebec in particular.

When the Bélanger-Campeau Commission held hearings in the Lower St. Lawrence region, the Minister of Foreign Affairs who was the Liberal Party representative on the commission at the time, had argued that, should Quebec become a sovereign state, we would lose any control we may have had on our milk quotas. Since then, current world events have caught up with the hon. member—who is now Minister of Foreign Affairs—and quotas will be less prominent. Belonging to the Canadian Federation may not be that beneficial for Quebec farm producers after all. A more profitable approach is to make sure we are able to sell our products abroad, and for that, we need programs to promote processing.

We must also learn from the past. In agriculture, we went from a period when many regions could be self-sufficient by processing and selling their products locally to a new era when, in the

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name of productivity, natural resources are sent outside the producing regions, creating unemployment. Something can be done to bring processing back to the regions, thus enabling more people to live with dignity.

I would like to point out one of the abnormalities inherent in the Canadian system. In lamb production, Canada, under pressure from the United States, reviewed the way it treats sick animals. Before, especially in the case of pure-bred lambs, we used to slaughter all sick animals. We have now decided that moderately sick lambs would not be killed but quarantined. This can be appropriate for owners of very large herds like those in the West, for whom quarantining a small part of their herd is not a major problem.

However, in Quebec, where herds are much smaller, this type of action is inappropriate. In my riding, for example, it pushed a producer to the brink of bankruptcy. We had to intervene many times to make the bureaucracy understand the situation. Unfortunately, we have not yet managed to change the regulations, the new practice adopted under U.S. pressure.

That is one example where implementing a practice across Canada can harm the economy of one of Canada's regions.

(1700)

The other point that I would like to bring to the attention of the House is support for exports. Much is being done to help people who are long established, but there is not much room for new exporters. For example, young people who would like to export top-quality maple syrup do not easily find the government program that could help them.

In agriculture, it is very complicated to find which program applies to which crop since agriculture has always been a shared federal-provincial jurisdiction; this does not make it easy for those who want to be involved in agriculture.

In another area, the federal government is acting contrary to the fine principles it has put forward, namely by cutting the funding for regional agricultural fairs. While they say they want to give regional agriculture a chance, this year they are cutting the budgets for the 55 regional agricultural fairs in Quebec by 15 per cent and next year they want to cut them out completely, which will eliminate these regional agricultural fairs that promote high-quality livestock.

I think that such an example proves the government's lack of leadership in agriculture. They just say the right words; what they do is in fact contrary to the decisions that should be made. Instead of encouraging agriculture, they are making drastic cuts that will hurt agriculture instead of helping it to develop.

[English]

Mr. Althouse: Point of order, Mr. Speaker. I would like the permission of the House to speak for eight or ten minutes, please, if that is possible.

The Acting Speaker (Mr. Kilger): Members have heard the request from the member for Mackenzie. Is it agreed?

Some hon. members: No.

[Translation]

The Acting Speaker (Mr. Kilger): I just want to make sure, at the request of the hon. member for Mackenzie, that he can share his comments with us for eight to ten minutes at most. Would there be unanimous consent?

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Will giving me the floor prevent a member who was supposed to speak from speaking on this point?

The Acting Speaker (Mr. Kilger): The period should end at 5.30 p.m.; we would have to add nine or ten minutes, and the minister's statement is scheduled for 5.40 p.m. So if a member speaks, someone else will certainly be unable to speak. The day must end at some point.

Is there unanimous consent?

Some hon. members: No.

[English]

Mr. Bill Graham (Rosedale): Mr. Speaker, it is a great privilege to speak in the House today on this debate on agricultural issues. I am conscious of the fact that I represent an urban riding but I remind the members of the House that not only are the members of urban ridings consumers of agricultural products but we are all interested in a healthy farm community.

It is in the interest of all of us and there are many of us in Rosedale riding, those for example who work at the University of Toronto in the research area and others, who make in their own way a contribution to the health of the important agricultural community in this country.

(1705)

Since the last election probably the single most important and dominant issue for our government for Canada's agri-food industry has been international trade. That is a matter of great concern to the foreign affairs and international trade committee of which I happen to be the vice-chairman. As was pointed out by the members for Haldimand—Norfolk, Glengarry—Prescott—Russell and Peace River this has been a very intense and challenging period in that area.

I think it is important for us to bear in mind that 1.5 million Canadians, that is one in five, depend directly on exports for

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their livelihood. Trade in goods and services is equal almost to half our GDP and in the agri-food sector for every dollar that is earned at the farm gate exports generate about 45 cents.

[*Translation*]

Mr. Speaker, international trade in this sector has become increasingly important for the province of Quebec. In 1991, exports from this province amounted to 9 per cent of the Canadian total. Today they are 13 per cent, an increase of 49 per cent, for a total value of 1.8 billion Canadian dollars.

[*English*]

Exports to the United States are extremely important and new markets and new jobs will arise from our entry into new international markets. Although we are presently engaged in difficult negotiations with the United States over trade in some agri-food products which we hope to resolve over the coming months, the bulk of our trade remains free of dispute and continues to expand. Once a settlement with the United States is reached we will have a more secure environment in which all sectors can plan for the future.

I would like to take the opportunity today to look at some of the impacts of the new trading arrangements and how our government is working to assist Canada's agri-food sector with its market development activities.

The Organization for Economic Co-operation and Development has forecast that the new GATT agreement will give the Canadian economy an additional \$8 billion boost by the year 2002. This government is determined to ensure that Canada's agri-food sector is a major participant in that economic growth.

The new development brings agriculture under effective trade rules for the first time in history and will ensure that these rules apply equally to all countries. Under the GATT as a result of the Uruguay round members have agreed to cut agri-food export subsidies by 21 per cent by volume and 36 per cent by value over six years. Export subsidy programs like the European Communities' CAP and the U.S. export enhancement program which the member for Haldimand—Norfolk referred to this afternoon are curtailed and international grains and oilseed prices will gradually rise.

It is hard to describe the importance of these changes. The anomalies that were created by agricultural subsidies in world trade were absolutely extraordinary. We had this crazy situation in the United States for example in which its export subsidies encouraged its farmers to export wheat to Turkey. The Turks, not being crazy, turned this wheat into pasta and sent it back to the United States which then competed with the pasta manufacturers in the United States which had to import Canadian wheat. Meanwhile Canadians were selling subsidized wheat to Italy

which the Italians were turning into pasta and shipping back to Canada.

These anomalies created by subsidies riddled agricultural trade. They have to some extent been brought under discipline under the new GATT rules. The importance of this cannot be under emphasized.

In that context we have to recognize that our supply management system which will be preserved as a result of our high tariffs came under attack under article XI, but this government was able to negotiate those high protective tariffs which will preserve the benefits of our farm management system.

As the member for Glengarry—Prescott—Russell pointed out we do not live in an isolated world. We are one member of the GATT and 115 other members insisted that we change from the type of quotas which we had used up to this time to a new and different type of system.

(1710)

This government recognizes that changes will be needed. Changes will be needed to help the sector. To this end, the Parliamentary Secretary to the Minister of Agriculture and Agri-Food is heading a six member federal-provincial industry task force on orderly marketing. Its mandate is to consult with all supply management stakeholders to identify the issues that need to be addressed and suggest co-operative decision making processes to deal with those in anticipation of the GATT implementation in 1995.

Amendment to the GATT rules will allow for more competition. But of themselves the rules will not ensure that we take advantage of those markets. We have to work for those markets and this government recognizes that. To help the agri-food sector capitalize on these advantages, Agriculture and Agri-Food Canada has a new branch, market and industry services, with offices in all of the provinces. This branch is specifically designated to work with the industry on enhancing its global competitiveness and increasing its share of domestic and international markets.

As well, the federal government has 55 trade commissioners and commercial officers working on agri-food trade and developing more than 150 foreign markets. This includes 18 agri-food specialists, five of whom were recently named to our diplomatic posts in Taipei, Seoul, Singapore, Osaka and Mexico City.

Here at home, an agri-food industry council will be established to advise on all matters related to improving Canada's market position, promoting economic growth and creating jobs.

In addition, Agriculture and Agri-Food Canada will be working with other federal departments and the provinces to establish a single window marketing service for Canadian industry. This

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will help facilitate access to programs such as the new getting ready to go global program, which gives cost shared assistance to food and beverage processors in developing competitiveness strategies and initiatives, and the agri-food industry marketing strategy program which helps agri-food associations develop and implement marketing plans.

The government's plan is to concentrate marketing on those areas of the globe which have the greatest potential for economic growth and market expansion in the future. In that context, the government is putting particular emphasis on the Asia Pacific and Mexican markets.

The minister of agriculture and the Governor General are presently on a trip to China and to Asia with industry representatives to sell our agricultural products. I hope, having heard the member for Peace River today speak of the importance of international trade in agricultural products, he may bring some discipline to bear on the member for Wild Rose when he questions the costs of these trips and the Governor General attending when important marketing initiatives can be made by such initiatives.

The Asia Pacific region is the fastest growing economic region in the world and it offers tremendous opportunities for Canadian agri-food exporters. This government intends to exploit that market and is doing so at this time. This represents a potential for jobs. They are good jobs, high paying jobs based on real markets in a growing part of the world.

Jobs, Mr. Speaker and other members of the House, I remind you, in the export area involve not only the farm marketers themselves but support services, banking and other areas, which those who live in urban communities benefit from as well. That is why the Minister of Agriculture and Agri-Food is in Asia today and 15 leaders in the agri-food sector thought it was important enough to be there with him.

With growing access to new markets around the world, it is clear that the future of Canada's agri-food industry is full of opportunities, the opportunity for growth and opportunity to contribute to economic activity and jobs in all parts of the country.

By working in close co-operation with the provinces, industry and other stakeholders, and by continuing to support the trade and marketing initiatives of Agriculture and Agri-Food Canada and other federal departments I am confident that we can help the industry make Canada agriculture and agri-food number one in the world.

In so doing, we will be ensuring not only the wellbeing of our farm community but the overall economic health of our country which includes important interests in our urban community as well.

(1715)

Mr. Harold Culbert (Carleton—Charlotte): Mr. Speaker, I am pleased to have the opportunity to address this unfortunate motion. However I would like to commend the opposition for raising this issue because the agri-food sector is such a strong contributor to our economy.

A few moments ago the hon. member for Mackenzie was not allowed to speak by the opposition. The member for Mackenzie, who is very interested in agriculture, often sits in on the standing committee. While I may not always agree with his comments or theories, I do feel sad that the opposition would not allow him to speak.

The rules of the road for business are government regulations. Regulations protect Canadians, ensuring them safe, nutritious food. Regulations also play a very important role. They are a way of setting standards. High standards mean quality and that can mean Canadian agri-food products are attractive to world markets because of their quality.

However times change and regulations that were helpful in the past become an obstacle to growth today. In some cases, new technology makes regulations obsolete as scientific tests replace manual inspections. In other cases, various levels of government have added layer after layer of regulation without co-ordinating their efforts and without counting the cost to industry.

We view regulations as a tool that can help the agri-food sector produce internationally competitive products. But to be an effective tool it must be honed and constantly sharpened to keep pace with changing world markets and technology. Regulations should be a tool which encourages innovation and entrepreneurship, not one that blunts industry's integrity.

That is why the government is dedicated to reforming regulations. Regulations are dry, technical and complicated. Done wrong, they cost too much to the industry and to the taxpayers but done right, they can create jobs.

As members know, the focus of the government's election campaign last fall was economic renewal and job creation. Building on this commitment in the February budget, the finance minister announced numerous initiatives to help improve the competitiveness of the Canadian industry.

One of the steps he announced was: "We will intensify and accelerate the effort to reform and remove regulations that create confusion and costs by putting in place a task force to provide on a fast track basis a better regulatory regime, one that will not compromise compliance but rather improve the competitiveness of business".

The government has already done a considerable amount of work in recent years to ensure that government regulations fulfil a specific departmental mandate and that they enhance, not hinder, industry's ability to compete. An interdepartmental committee of assistant deputy ministers on regulatory reform is

currently working to, first, provide departments with the means to use alternatives to reduce the regulatory burden; second, provide a greater variety of enforcement tools and options; and third, improve the process of the regulatory development.

At Agriculture and Agri-Food Canada, the first phase of regulatory housekeeping led to the elimination and amendment of regulations through an omnibus regulatory package passed in April 1993. This work is continuing. A second package of regulatory amendments has now been prepared involving the processed poultry regulations, livestock carcass grading regulations, fertilizer regulations and egg regulations. A copy of this package has been provided to the provinces for review and for their comment. It is anticipated that it will appear in part I of the *Canada Gazette* this summer.

(1720)

As part of this federal regulatory reform process, the government, in co-operation with consumer groups and industry stakeholders, also reviewed the current regulatory requirements concerning best before dating and packed on dating and looked at the subject of food date marking in general.

Under the food and drug regulations the labels of most perishable and semi-perishable prepackaged foods with a shelf life of 90 days or less are required to show a durable life or "best before" date in a clear, non-encoded manner. Storage instructions are required if conditions other than room temperature storage are necessary. When packaged on retail premises, perishables and semi-perishable foods are required to show packed on date instead of best before date.

The intent of these requirements introduced back in 1974 is to provide consumers with useful information regarding relative freshness and potential shelf life of food. Foods which have exceeded the best before date are still acceptable for consumption but they may not be at their peak state of freshness.

During the reform process the government found strong, general support for retaining present date marking requirements for perishables and semi-perishables having a durable life date of 90 days or less.

Consumers and industry believe these requirements to be very effective and a useful way of informing consumers as to relevant produce freshness.

We also found support for the voluntary use by manufacturers of best before dating on foods with durable life of more than 90 days.

As a result of the review the following recommendations were developed. Support the use of best before dating on products with a durable life of more 90 days on a voluntary basis. Amend the food and drug regulations to revoke durable life date exemptions for donuts and commissary items. Review date

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marking in respect to products with modified atmosphere packaging. Review the need for date marking on low acid foods packaged in hermetically sealed containers and on refrigerated products and consider extending the requirements relating to the statement "previously frozen" to all products which have been frozen and thawed prior to sale.

In the last phase of the implementation process Agriculture and Agri-Food Canada's food production and inspection branch, in co-operation with the Department of Health, will be consulting on these recommendations with food industry stakeholders, including industry associations, consumer groups and other federal and provincial government departments.

Central to these discussions is Agriculture and Agri-Food Canada's inspection and regulation mandate. The department's responsibility is to set and enforce standards to safeguard human, animal and plant health and facilitate international trade and to support the protection of the environment through sustainable agricultural practices.

In line with these departmental responsibilities, the FBI branch has been working in recent months to develop a business plan which will ensure that its resources are directed to the highest priorities, to ensure that only safe, wholesome food enters the Canadian marketplace and that our inspections program works to enhance the competitiveness of Canada's agri-food sector.

The challenge is to maintain and improve the branch's current food inspection programs while at the same time making the best use of the taxpayers' dollars.

I believe our efforts to reduce the unnecessary regulations of industry and to focus on our resources on a top priority of ensuring food safety will pay off handsomely in every province. Reforming regulations create new opportunities. It creates jobs. It is a way to ensure that the agri-food sector is profitable. It will remain a very important tool for making sure the agri-food sector remains competitive.

(1725)

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, just a short comment on what the hon. member said in his introduction, in which he reproached us for not letting another member take the floor.

I simply wanted to say that, for the opposition day we requested on agriculture, we need all the time we are allowed to voice the concerns of Quebec and those of farmers across Canada, and we are prepared to consider the possibility of having the hon. member speak when we have finished. All members who expressed an interest in speaking in this debate, members from the rural ridings who want agriculture to have its rightful place in Canada and Quebec, should be able to speak,

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and that is why we felt this was important, because the treatment of agriculture in Quebec has left much to be desired in the past.

Agriculture in Canada is to a large extent western agriculture, and we want to say there is an agricultural industry in Quebec as well, and that is why we want all our members who have something to say about their ridings and certain expectations they want to express on behalf of their constituents, to be able to do so. We want to ensure that the concerns of the agricultural industry, in Quebec and in Canada, get the attention they deserve, and that is why we want to ensure that the entire debate is used to discuss those concerns.

The Acting Speaker (Mr. Kilger): As you know, I have been in the Chair all day for this very important debate and I understand, as the hon. member just mentioned, that there are still a large number of members would like to speak to the issue.

As some members have pointed out when the hon. member made his presentation, there is a tradition in this House to the effect that we do not reflect on a decision which has been made.

I imagine that we all learned something. I am convinced that the hon. member for Carleton—Charlotte will take note, as I will, and I thank the hon. member for Kamouraska—Rivière-du-Loup for his intervention.

[English]

Maybe the hon. member for Carleton—Charlotte would like to respond.

Mr. Culbert: Mr. Speaker, as I indicated the member for Mackenzie certainly has tremendous experience in the field. I also indicated that while I may not always agree with his comments or his theories, I do feel he deserved an opportunity to make those comments.

The Acting Speaker (Mr. Kilger): Order. Of course the House is always the master of its own destiny. It is a tradition of the House that once a decision is taken, we carry on the business of the day. It is not the tradition to reflect on a decision taken.

Mr. Boudria: Mr. Speaker, perhaps I could assist the Chair and the House by indicating that I have had informal conversations with my colleagues of all represented parties in the House at the present time and they have unanimously agreed to extend the hours to allow the member to speak.

The Acting Speaker (Mr. Kilger): We are getting ahead of ourselves here. I know that there are other members who want to speak to the issue of the day.

[Translation]

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, I understand that the debate should normally end around 5.40 p.m.

Consequently, since I will in all likelihood be the last speaker on this motion, I would like to first congratulate again the hon. member for Québec—Est, who is the Official Opposition critic on agriculture, for tabling a motion which, as pointed out a few moments ago by the hon. member for Kamouraska—Témiscouata, is the first one on agriculture since the opening of the 35th Parliament.

(1730)

We, members of the Official Opposition, are justifiably proud to be the first ones to table such a motion and to show to all Quebecers, and farmers in particular, that we are here to protect their interests in every field and especially in the agricultural sector.

Today, members from the Bloc have spoken brilliantly and eloquently on the issue, and they have clearly demonstrated the nonchalance of the Liberal government regarding the agricultural sector since it took office. This lack of vision, policy and decision is hurting agriculture in Canada, and particularly in Quebec.

I want to take those few minutes to emphasize the importance of agriculture. I will use my own constituency of Mégantic—Compton—Stanstead as an example, since it is essentially a rural riding where agriculture is the number one industry. I have here some figures which I am pleased to communicate to members and to Canadians, so that we can see the impact, on this industry, of the measures taken by governments, particularly the federal government.

There are close to 2,000 farms in the riding of Mégantic—Compton—Stanstead. According to Statistics Canada, in 1991, expenditures and revenues related to the agricultural industry in my riding were somewhere around \$123 million and \$156 million, respectively. These two figures alone show how important that industry is for our riding and for all of Quebec also.

Moving on, 2,500 jobs in my riding are directly dependent on agriculture. Imagine, 2,500 jobs. One would have to travel to several municipalities and to several ridings to find industries which employ such a large number of workers. And for every direct job, we can count on six indirect ones, which means that farming in the riding of Mégantic—Compton—Stanstead accounts for an additional 15,000 jobs in the eastern townships.

The agricultural sector in Quebec has evolved rapidly over the years. I listened to the member for Glengarry—Prescott—Russell who tried to get my colleague from the Bloc who serves as agriculture critic to admit that agriculture has flourished in Quebec because of federal government policies. May I remind this House and point out for the benefit of my colleague that agriculture underwent a remarkable period of growth between 1976 and 1985, thanks to the vision and energy of a government, but more especially, thanks to one man, the MNA for Lévis, Mr. Jean Garon, who in many ways sparked the development of the agricultural sector in Quebec. Many people considered the MNA for Lévis to be a dreamer. Some even thought he was a

little crazy when he said his goal was to increase agricultural self-sufficiency in Quebec from 50 per cent, the level it stood at when the Parti Québécois came to power in 1976, to over 70 per cent. Within four years or one term of office, Quebec had already achieved a level of self-sufficiency greater than 70 per cent, all because of the government's policies. Since then, the Liberal government which came to power in 1985 has managed to bring the level back down to about 60 per cent.

(1735)

On the subject of agriculture, we should also mention certain initiatives that were taken and the benefits that accrued to show, as I said at the beginning of my speech, the impact of agriculture on a region. I would like to point out three initiatives that I am particularly proud of in my riding. First, the Centre d'initiative agricole de Coaticook, which is basically a group of farmers who not only put a lot of effort in their own farming enterprises, but also provide training to other farmers. They have just set a precedent by approving an agreement concluded with the local school board to invest in farm training for our young people. This deserved to be pointed out. They have been praised by all socio-economic stakeholders in l'Estrie for this initiative.

There is also the agri-food table, la Table agro-alimentaire, in the Haut-Saint-François RCM, which brings together—somewhat like the group in Coaticook—a number of farmers who have set out to develop the agricultural industry by encouraging new farms to locate or get established in their region and, to that end, by meeting students in our agricultural colleges, in Saint-Hyacinthe and in the Quebec area, as well as by inviting them to invest in the most beautiful riding in the province, the riding of Mégantic—Compton—Stanstead.

In conjunction with all economic stakeholders, they are also setting up agricultural products processing industries to ensure that our farm products can be processed locally, thus creating employment.

One last example, before closing: farm tourism. It was barely mentioned today, but it is nonetheless an important industry. Let me give you one figure. In 1993, in my riding and the Coaticook region, thanks to the concerted efforts of the municipalities, the agricultural community and the tourist industry, 4,000 European tourists, mostly from France, came to visit us and were able to appreciate the state of development of our agricultural industry as well as enjoying, of course, the warm welcome Quebecers are renowned for.

(1740)

In conclusion, in the weeks and months to come, the federal government must concentrate on an issue of major importance not only to my riding but also to Quebec as a whole and even a major part of Ontario. I am referring of course to the negoti-

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ations scheduled to take place as a result of the GATT agreement, particularly to set tariffs for milk.

Someone on the government side said earlier—and I will close on this—that deals had already been made. We want, we insist that the efforts made by our farmers over all those the years not be compromised by negotiations, the outcome of which are not known. We in the opposition will be extremely vigilant in that regard.

* * *

[English]

MOTION TO EXTEND HOURS OF SITTING

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I wish to seek unanimous consent of the House to extend the sitting hours by 10 minutes in order to permit the hon. member for Mackenzie to address the House, and subsequently of course to add 10 minutes to private members' hour to ensure that it is not shortened and that the full hour be allotted to private members' hour as is customarily the case.

The Acting Speaker (Mr. Kilger): The House has heard the terms of the motion. Is it agreed?

Some hon. members: Agreed.

(Motion agreed to.)

Mr. Vic Althouse (Mackenzie): My thanks to you, Mr. Speaker, and to the House for extending the session for 10 minutes. I am sorry that we had a misunderstanding a few minutes ago when we tried to do the same thing and failed.

Being from the riding of Mackenzie, which is located in northeastern Saskatchewan, we are very concerned about agricultural policy and the terms that the government imposes on agricultural policy in this country. We were faced with local conditions that are quite unusual this past year such as flooding and extra rain which has meant harvesting not completed from last year and it means that many producers will not be able to seed a crop this year because last year's crop is still in the fields.

There was a great deal of hope that a third line of defence would be worked out given this circumstance in northeastern Saskatchewan and northwestern Manitoba. However, no such thing happened. The minister and his counterparts across the country simply said that the crop insurance and the GRIP programs that are in effect are going to have to be used.

We urge all farmers in the circumstance of perhaps losing two crops to make certain they take advantage of that part of the crop insurance program that covers inability to seed in the coming year.

There have been other problems that these people have been facing. They face the same problems that all Canadian farmers have faced: low incomes due to low grain prices because of the

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grain wars that have erupted between the United States and Europe; the United States' insistence upon using export enhancement funds to depreciate the value of export prices to the point that the only place Canadians can get a decent price for durum wheat is in the United States, which is the only country that has not been targeted for export enhancement funds.

In effect the market is \$40 or \$50 U.S. per tonne higher in the United States than it is in any of the markets that we normally sell to because the United States has been paying our old customers \$50 to \$60 a tonne to take their durum wheat instead and their other grains as well.

As well, for a short period of time a small window of opportunity opened up in the U.S. market for barley and that became the high value market. Canada sold barley into the United States which has triggered a short skirmish in the continuing skirmishes along that border in agricultural trade to the point at which one of the senators from North Dakota—although he says it was in jest—actually suggested to one of the committees of Congress that the 300 Minuteman missiles located in silos in North Dakota be reprogrammed to hit Canadian wheat farmers.

(1745)

Those problems will pass and they will be resurfacing again from my experience in free trade with the Americans. We have had free trade, I might add, in meats for over 50 years and there have always been times when border access was very difficult even though we have a program of free trade in pork and beef between our two countries.

The challenge I want to speak about today in the short period that I have is the global challenge that arises now that we have had Canada-U.S. trade agreements, the North American free trade agreement, followed by the General Agreement on Tariff and Trade.

All of these agreements have substantially limited the power of national governments to impose or to have their own programs for agriculture or for production of any kind of product whether it is manufactured products or a raw product like most of the agriculture products that we export.

This has been assessed by various world trade experts and economists who have concluded that in Canada's case Canadian agriculture is going to have to get used to a lower level of export, lower incomes and this means that we have a great challenge ahead in rural Canada and at the federal level as well to find new ways of reducing production costs.

Where I live our ability to export is highly dependent upon the continuation of the crow rate which was there to entice us to settle that region in the first place. We are a long way from tidewater and cheap shipping. We are relatively close to Churchill but none of our purchasers of raw products seems inter-

ested in picking up products at Churchill so we have to ship to Vancouver, Thunder Bay or Prince Rupert, very long distances.

We are located about as far from those ports as it is possible to get on the prairies. Yet the government has continued to pursue the policy of the previous government of reducing the benefits to the crow rate.

The panel has looked at who should receive that payment. Though it has not made any recommendations the study shows that there is very little to be gained by paying the payment to the producers. It shows that if you paid the producers rather than the railways barley exports would disappear. There would be very little change in the production of meats, beef and hogs, which has been the contention by those who wanted the payment made to producers rather than to the railways. The government has what will probably be a difficult decision because there is so much politics behind the feeling among some farm groups that they could do a better job of spending the money by paying the railways themselves than the government paying the railways in order to keep the rates down.

We are left with very few options in government policy for the federal government. Under the new GATT arrangements it will have to reduce its subsidies. We have a challenge of trying to identify the subsidies of other countries so that we can make certain that we are operating on a fair basis. The previous government did not do a good job of that. It did not identify the subsidies the United States has even though it spent a lot of time negotiating the agreement with the United States.

We have some positive things we can look at. I am trying to hurry because of the time. We can still use marketing boards. There are great advantages to producers in gaining regulated control of the products they wish to market. That has been proven through the wheat board, the hog marketing boards, the Ontario Wheat Board, as was mentioned, various milk marketing boards, and the chicken and egg marketing boards across the land.

(1750)

These agencies do an excellent job of making certain that a product finds a market, that it gets to market with the least possible cost without running trucks and trains back and forth across the country. It is the most efficient way to work.

Therefore I would urge the government to pursue those options, particularly putting more grains under the Canadian Wheat Board and expanding the jurisdiction of the Canadian Wheat Board to go into eastern Ontario and the rest of the country as it chooses as well.

I note that there is a need for revitalization. I was at a committee meeting this morning at which the department officials talked about rural revitalization. I note that there are a lot of things that need to be done in this area and that can be done even in spite of the GATT rules.

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We have taxation policies that favour the relatively wealthy, medium and high income people, relatively old people, but we do not have any RRSP treatment for the young which would permit them to invest in their farms and businesses at a young age to get some tax benefits. Instead, we wait until they get into their middle years and older and then the tax system encourages the investment in RRSP. We actually lose taxes as a result of that.

Why do we not invest the tax treatment in the younger people so that they can revitalize local communities and maybe back off a little bit the tax advantages that we are giving to the medium and high income people? We should be pursuing these and a whole host of other things that I had on my list. Perhaps some other time the House will grant me the privilege of presenting the rest of those ideas.

The Acting Speaker (Mr. Kilger): It being 5.49 p.m., it is my duty to inform the House that pursuant to Standing Order 81(19), proceedings on the motion have expired.

The House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

PRESCRIPTION DRUGS

Mr. John Solomon (Regina—Lumsden) moved:

That, in the opinion of this House, the government should consider repealing the Patent Act Amendment Act, Chapter 2, Statutes of Canada, 1993, to make prescription drugs more affordable to Canadians and to encourage the creation of jobs in Canada by generic drug companies.

He said: Mr. Speaker, it is my pleasure this afternoon to move this motion in the House of Commons. Bill C-91 in essence ended Canada's compulsory drug licensing system in place since 1969 which helped make medicines more affordable.

Bill C-91 increased patent protection for the large multinational pharmaceutical corporations. What that means is that those drug companies were able to extend the monopoly pricing for periods of up to 20 years for their prescription drugs. Canadians are deeply concerned about the consequences of this bill. What Bill C-91 has done is increase the cost of some prescription drugs by about 120 per cent in the past three years.

As a result of this bill, for example, the Saskatchewan drug plan, a government funded plan, has had to diminish its coverage for Saskatchewan citizens quite significantly but still pays about \$10 million more a year for the plan because of increased prescription drug prices.

The boost in the cost of provincial drug programs ultimately means you pay more for drugs and increases Canada's dependence on the most powerful pharmaceutical companies. Bill C-91 also weakens Canadian generic drug companies at the expense of foreign multinational pharmaceuticals. It also sharply deteriorates our own pharmaceutical trade balance, making Canada a warehouse for drug imports. The biggest impact is on the consumer, in particular those people who require prescription drugs, the sick, the elderly, people from all walks of life.

The Eastman committee which studied drug patents and costs in 1983 claimed that across Canada at that time the public saved \$211 million per year in drug costs from generics. In 1986 the Canadian Drug Manufacturers Association, which is the organization of companies that manufacture generic drugs in Canada, estimated that compulsory licensing saved us about \$500 million a year.

(1755)

We do not have an updated figure but for health care plans in this country which total about \$70 billion in costs to the government the components of the pharmaceuticals in that \$70 billion cost is about 17 per cent, which means it costs Canadians about \$13 billion or \$14 billion a year. Estimates today indicate that we would be saving between \$1 billion and \$2 billion a year if Bill C-91 did not exist.

Not only do we save on the generic price but whenever a generic equivalent is introduced to the market the brand name product falls about 20 per cent to compete with it.

The Eastman committee at that time recommended a maximum monopoly of four years. The government legislated seven years for some drugs and ten years for others. Someone from the Department of Consumer and Corporate Affairs said we did not give them a nickel more than they asked for. Now it is not just seven years or ten years or even seventeen, but Bill C-91 gives these pharmaceuticals 20 years of protection.

There is a well know drug, an antibiotic, that is marketed as Septra by a company called Burroughs Wellcome and there is Bactrim by another company called Hoffmann-La Roche. This medicine is composed of two constituents that work together to produce their effects in the urinary tract and in the respiratory system.

One of these components is owned by the British drug company Burroughs Wellcome and the other component is owned by Hofmann-La Roche of Switzerland.

Not only do the components work symbiotically, so do the companies. Wellcome makes enough of its product to supply its own needs and that of the Roche company while the Roche company makes sufficient of its own product to supply itself and Burroughs Wellcome.

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Then each company advertises its own product as superior to that of the opposite company and will produce research material to even prove it. Yet the only difference is that the one company markets this tablet in green and the other is coloured white. There is a slight difference in shape but they both contain the identical amounts of the same two drugs that came from the same two companies. They come from the same machinery in the same factories. Not only that, but they each thereafter supply these components to generic drug companies who could produce them under compulsory licensing at a cheaper rate and then these pharmaceuticals have the cheek to call themselves ethical pharmaceutical manufacturers.

An article in the *Globe and Mail* of January 20, 1993 cites the chairman of a company that administers many private drug benefit plans in Ontario. He told the Senate committee investigating this matter that the average cost of a prescription drug in Ontario in 1987 was \$12.52. Five years later it was \$21.12, an increase of 75 per cent over five years for the average prescription drug. He projected that by the year 2000, six short years away, the average would be about \$34.

Of course the federal government's rationale for C-91 was that great big bogeyman GATT, the General Agreement on Trade and Tariffs. Bill C-91 was retroactive to three years prior to the GATT's being implemented before it took effect. My concern is why should Canada have internal matters decided by foreign governments?

As a matter of fact, Canadian drug manufacturers have indicated in their research that under the present Patent Act Canadian generic pharmaceutical manufacturers are prohibited from producing for export products that are under patent in Canada, even if the product is not under patent in the country we wish to export to.

For example, given that many patents are granted in the United States before they are granted in Canada, patents will expire in the U.S. before they expire in Canada. The Canadian generic pharmaceutical industry must now locate manufacturing facilities in the U.S. when a patent expires there before it expires in Canada.

This means we cannot continue to create jobs and produce our export products here in Canada. In effect we are being forced to export Canadian investment and jobs which we prefer to locate right here. Unless this problem is quickly rectified we will be forced to curtail more jobs in Canada and invest and create jobs in the U.S., Mexico and other export markets.

The repeal of Bill C-91 would demonstrate to Canadians that the Canadian government still has control over its domestic affairs rather than the multinational foreign drug manufacturers. If this bill is not repealed it will prove once again to Canadians that the Liberals are no different than the Conservatives.

We have often heard in many jurisdictions in this country the phrase "Liberal, Tory, same old story".

(1800)

My sense of it is that unless the Liberals who voted in opposition against Bill C-91 repeal this legislation they will be no better than their sisters, the Conservative Party. I think actions speak louder than words. It is incumbent upon the Liberal government to take action on this bill and repeal it so that we can save a whole lot of jobs and a whole lot of money for our drug plans and for Canadian consumers in the end.

When the Tories passed the drug patent legislation, Bill C-91, New Democrats predicted it was a prescription for problems. The legislation gave brand name drug companies a 20 year monopoly to charge basically whatever they wanted for prescription drugs. New Democrats said that the granting of generic drug licences would be eliminated and that consumers would bear the brunt of decreased competition and increased prices. Without competition big name pharmaceutical companies would be able to set the price of being healthy.

According to a 1986 Ontario report on drug competition when five versions of the same drug were on the market the cheapest generic drug was almost half the price of the original. Since Bill C-91 was passed this type of saving to the consumer is a thing of the past.

I have here some brand name-generic price comparisons for the top 25 genericized products. For example, for the drug Cimetidine which is an ulcer drug—that is the drug name, the brand name is Tagamet—the generic price is about 80 per cent less expensive than the original brand name. We are actually paying 80 per cent more for the brand name of a drug which produces the same ultimate result.

For Naproxen which is an arthritis drug, the brand name of which is Naprosyn, the per cent savings if we use a generic is about 76 per cent. There is a whole list of examples. Every one of these examples is at least 15 per cent cheaper, and in many cases up to 80 per cent cheaper by using generics.

What we can conclude from this is that the consumers in Canada are being gouged by Bill C-91 which allows the pharmaceutical corporations to gouge consumers. New Democrats in this country, New Democrats in this House of Commons, oppose this kind of gouging of consumers.

Even provincial drug plans will not be able to shield Canadians from the high cost of being healthy. Cash strapped provinces will be forced to delete more and more drugs from the list of the products they pay for, creating a situation like that in the U.S. where people are dying because they cannot afford brand name drugs and they do not have an option to purchase generic drugs.

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Saskatchewan was convinced that Bill C-91 was a severe blow to health care in Saskatchewan. At that time it estimated it would cost its drug plan between \$6 million and \$10 million more each year. Not only has it proven to cost \$10 million a year more, but it has had to reduce the coverage because of the massive increases in drugs.

The Tories argument in favour of Bill C-91 is that without patent protection Canada is in danger of losing research and development investments. In support of this claim Judy Erola, former Liberal Minister of Consumer and Corporate Affairs and president of the Pharmaceutical Manufacturers Association of Canada, resorted to using blackmail as a rallying cry. She claimed that the brand name industry would pass us by if patent protection was not extended. While Bill C-91 is in effect the promised drug jobs have not materialized and in fact layoffs have occurred.

As recently as April 26, 1994 in the *Globe and Mail* it was stated: "Earlier this month Eli Lilly Canada Inc. of Toronto scrapped a plan to add 150 manufacturing jobs and a major expansion first announced at the time of C-91's passage. The company says it still plans to pump more money into R and D but shelved the \$170 million expansion because of cuts dictated by its U.S. parent, the Eli Lilly Company of Minneapolis, Minnesota".

Here is one of many examples of this wonderful Bill C-91 falling short from every single promise that was ever made by the former government.

The problem with the arguments put forward by Ms. Erola is that the drug companies are not legally obligated to use their increased profits to conduct research and create jobs in Canada and past experience points to the contrary. When Bill C-22 was passed by the Tories in 1987 the same promises were made. However, Stats Canada figures show that only 500 new research jobs were created and these were offset by more than 1,000 jobs lost in drug manufacturing. In addition, Canada has no large drug companies with basic research facilities headquartered here.

(1805)

We have some very serious problems in our health care program in Canada. We have increased prices in drugs which have skyrocketed since the implementation of Bill C-91. I have chosen this motion because it is important not just to me but to millions of Canadians.

I have presented in this House petitions from thousands of people who are opposed to Bill C-91 and want generic drug companies to produce lower cost drugs for their use in terms of addressing their health problems. I have letters from a number of organizations. I want to read one into the record. This was sent to me by Mr. F.J. Lancaster, the immediate past national president of the Federal Superannuates National Association, which represent about 70,000 retired federal civil servants in its 74 branches across the country. He says regarding Bill C-91: "It

is insidious legislation and more so because one 10-year extension of patent rights on new drugs had already been granted, I believe in the 1970s, and Bill C-91 was a further sellout to the international drug companies. The costs of prescription drugs have risen dramatically. That is hurting the poor and aged on small incomes and causing some provincial government medical plans to virtually remove from their health care plans benefits related to prescription drugs because the plans cannot afford the coverage".

He continues: "As a result, the users of prescription drugs have had to assume an additional and very heavy financial burden. While our organization is strictly non-partisan, we will fight the government of the day on any legislation inimical to our interests and we will support the efforts of any of our parliamentary representatives who oppose such type of legislation". He represents 70,000 superannuates.

I received a number of letters, one addressed to the Prime Minister from one of my constituents, urging the government to immediately review Bill C-91. This was dated January 5, 1994. I have not yet heard whether the Prime Minister responded. I am sure he responded to this constituent. These are examples of people across the country who are concerned.

Another example is on April 5, 1994 a motion was passed in the Saskatchewan legislature, the province that I represent in this House of Commons, which was unanimously supported that read as follows: "That this assembly urge the federal government to repeal Bill C-91 because it provides excessive profits to foreign drug companies, causes severe financial hardships to prescription drug users, particularly the elderly, and makes provincial drug plans economically impossible".

The entire legislature, which is composed of 54 New Democrats, 3 Liberals and 10 Conservatives, supported this motion unanimously.

Not only is this evidence I provided important, but a poll taken recently conducted with about 1,100 Canadians was done by Insight Canada Research for the Canadian Drug Manufacturers Association. In this poll they found that 63 per cent of Canadian respondents are concerned about the high price of prescription drugs. Seventy-nine per cent of those people reside in Quebec. They say that 79 per cent of the Quebec population are concerned about it, 71 per cent of the population in the prairies are concerned about it and 77 per cent in Atlantic Canada. It also found that 75 per cent of Canadians believe the federal government should control the price of prescription drugs. Eighty-seven per cent of Quebecers believe the federal government should control the price of prescription drugs. They believe they are too high.

I was curious to note in the House of Commons during Question Period today the Bloc Quebecois member who stood up and said: "We oppose repealing Bill C-91. We want to see this bill protected and actually enhanced and strengthened". They believe it is a good bill. That is not surprising because

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when they were in the previous Parliament they supported this legislation.

What I cannot find a rationale for is that they really are supporting the international pharmaceutical corporations at the expense of gouging their own Quebec French Canadian consumer. They have in essence betrayed their own people. They got elected on a policy of so-called social democracy and the first opportunity they have to protect their people, they knife them in the gut. I think it is disgusting. All I can say is shame on them for that kind of performance and that kind of stand on this very, very important issue.

(1810)

Bill C-91 is a threat to medicare, it is a threat to our Canadian generic drug manufacturers, it is a threat to consumers of prescription drugs. Bill C-91 is a threat to our provincial drug plans and it is a threat to the sick and the elderly.

It helps no one except the large multinational corporations. It does not help anybody else in this country. That is why I believe the government of the day has to support this.

I might say that in the previous Parliament many members opposite who are now in government, including the Prime Minister of Canada and the Minister of Health, opposed Bill C-91. I am asking them in their positions in cabinet and controlling the government to follow their instincts and their position in the previous Parliament and to repeal Bill C-91.

I end by saying that I was very pleased to hear from many members of Parliament who support this motion, including the member for the riding of Ontario and, of course, the member for Notre-Dame-de-Grâce.

I know my time has ended. I reiterate by saying that I am urging the federal government to repeal Bill C-91 for the sake of our social programs, for the sake of medicare, for the sake of the sick and the elderly in our country.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I am pleased to rise in my place today to respond to the motion put forward by the hon. member for Regina—Lumsden.

We share his concern over the impact of the amendments to the Patent Act that were introduced in the last Parliament. The laws that govern pharmaceuticals must balance many different interests. They must serve the industry, consumers and provincial governments whose health care plans account for about half of prescription sales in this country. As a result, I think it altogether appropriate that the government take a careful look at the results of the changes to the patent laws that were introduced by the last government.

We would like to remind this House that the compulsory licensing regime for drugs was first adopted in 1923 following the example of an act in the United Kingdom. Until 1969, however, few compulsory licences were issued because the act required that active ingredients used in the manufacture of the generic drug would be produced in Canada.

That changed in 1969. In that year the Patent Act was amended to allow generic companies to import active ingredients. This allowed a generic drug sector to develop in Canada.

Under the system that was established compulsory licence applications were filed with the Commissioner of Patents who determined the royalty rate to be paid by generic companies to the patentees. The royalty rate was generally set at 4 per cent of the sales of the generic product. This system continued for the next 18 years.

Some have argued that the system served Canada well. They would point out how the Canadian health care system benefited from cheaper pharmaceuticals. Because the results of their investment, hard work and innovation was not protected by our patent laws, the makers of brand name pharmaceuticals were reluctant to establish research facilities in Canada.

Back in 1969 this was not considered to be as important a cost in light of the benefits of cheaper pharmaceuticals. For one thing, it seemed unlikely that brand name pharmaceutical companies would establish research facilities in this country in any event. After all, most of the innovative pharmaceutical companies were foreign multinationals and they tended to set up their research facilities in their home countries.

Indeed, when a commission of inquiry on the pharmaceutical industry, chaired by Harry Eastman, tabled its report in 1985 it maintained that the innovative pharmaceutical companies were not hurt financially by the compulsory licensing regime. The profits of the industry from 1968 to 1982 were substantially higher than for total manufacturing in most other industries.

In fact, the Eastman commission recommended that compulsory licensing brought a competitive element to the industry. It estimated that it saved Canadian taxpayers and consumers \$200 million in 1983 alone. The commission recommended that compulsory licensing be continued but that the royalties paid to patentees be increased to reflect the costs of research and development to the innovator. The report also recommended that patentees be allowed four years of market exclusivity before generic companies would be permitted to enter the market.

(1815)

The Eastman commission tabled its report at a time of profound change in the worldwide pharmaceutical industry. Mr. Eastman could not have anticipated some changes in the global environment for research and development that were taking place.

The major multinational drug manufacturers were beginning to invest their research and development dollars in countries other than their home country. One of the assurances that they sought in return for this investment was adequate intellectual property protection for their products.

Around the world other leading industrialized countries abandoned their compulsory licensing regimes for drugs. Canada became increasingly isolated in trade discussions and subject to pressure to repeal the compulsory licensing regime.

Many members of the House will recall the bitter debates that took place over the amendments to the Patent Act that were passed in 1987. Pharmaceutical patent owners were guaranteed a period of market exclusivity of seven to ten years instead of the four years that had been the case previously. In exchange, the brand name pharmaceutical companies made a public commitment to increase its research and development to sales ratio from 4.9 per cent, which is where it was in 1987, to 10 per cent by the year 1996.

In fairness to these companies the House should acknowledge that they have been increasing their R and D. The House will recall that the Patented Medicine Prices Review Board was created under Bill C-22 to control the prices of patented medicines as well as to report on R and D investments.

As the House knows, the previous government was not content to leave the patent legislation as it was amended through Bill C-22. In 1993 after another very bitter debate further changes were introduced through Bill C-91.

These amendments abolished the compulsory licensing regime entirely. They did so retroactively. The amendments rendered inoperative any compulsory licence not granted by the Commissioner of Patents as of December 20, 1991. That was the date the so-called Dunkel text of the GATT was made public. The NAFTA also requires implementation on that date. These two trade agreements, the GATT and the NAFTA, limit the possibility for change in patent laws in Canada. Compulsory licensing specifically for drugs is not allowed.

However some changes introduced in Bill C-91 went beyond what was required by these agreements. The government is taking a very close look at ways where it can harmonize the interests within the pharmaceutical industry and among consumers, provincial governments and drug companies.

I also remind the House that Bill C-91 strengthened the powers of the Patent Medicine Prices Review Board. For example, failure to comply with the board's orders now carries a fine of up to \$100,000 a day for a company and \$25,000 a day for an individual. Although the price tests applied by the board were

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not changed, new price control factors can now be added by regulation after consultation with stakeholders.

Another aspect of the act to amend the Patent Act should be mentioned here. Regulations were adopted that prevent the health protection branch of Health Canada from approving a generic product before the expiry of the Canadian patents on the brand name equivalent. These regulations have led to many lawsuits within the pharmaceutical industry and the volume of litigation arising from this provision is being reviewed.

These are matters the House must take into consideration when dealing with the motion before us. It would not be appropriate to look at just one side of this very complex issue as the hon. member for Regina—Lumsden has done.

I understand the Minister of Industry has met with representatives of the pharmaceutical industry. He is reviewing carefully the current drug policy and its effect on investments in Canada, job creation and drug prices. He will ensure that consumers are treated fairly.

The challenge is to ensure that drug patent legislation supports the development of Canada's pharmaceutical industry while making patented drugs available to Canadian consumers at affordable prices.

The government will not take the side of the pharmaceutical industry over the side of health care objectives. It will take all interests into consideration. That is what the government is committed to doing. It is what Canadians expect of us. The government is weighing very carefully the various issues at stake and acting upon its commitment to review the drug patent policy.

(1820)

[*Translation*]

Mrs. Pauline Picard (Drummond): Mr. Speaker, in the next few minutes, I intend to share my comments and concerns about the motion tabled by the hon. member for Regina—Lumsden, who is asking the House to repeal the Patent Act Amendment Act passed by the House in 1993 and better known as C-91.

I must tell you right away that I strongly oppose this motion and I will now explain to my hon. colleagues the reasons behind my position.

To understand all the elements of this debate, we must go back to the past to see what the situation was like in Canada before Bill C-91 and its predecessor, C-22, were passed in 1993 and 1987 respectively.

In 1960, a royal inquiry commission found that drug prices in Canada were too high and recommended establishing a procedure to issue compulsory licences to import and sell patented pharmaceutical products. That is what Canada did in 1969.

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This reform led to the creation of a number of pharmaceutical businesses which, after obtaining the compulsory licences, produced and sold generic drugs at lower prices than brand-name drugs. Although the purpose of the reform, namely to control and reduce drug prices, was achieved, it also had a very negative impact. Research in the Canadian pharmaceutical sector dropped dramatically.

To promote research and the growth of the pharmaceutical industry, the federal government created the Eastman Commission in 1984. In its report made public the following year, the commission proposed a major reform which was approved by the government and led to C-22, an Act to amend the Patent Act.

This reform had an ambitious goal: to stop the exodus of Canadian researchers to the U.S., convince pharmaceutical companies to invest more money in research, and put Canada back on the list of industrialized countries where high-tech medical research is done.

Now that we know the background, we understand better the various elements and the reasons that led to this trench war still being fought between generic-drug manufacturers and innovative companies. After supporting the former for over 25 years, the government lived up to the challenge of helping innovative and research companies while ensuring that drug prices remain under control.

We can identify three real consequences of this reform. First, innovative companies made a public promise to increase significantly their investments in pharmaceutical research. These companies kept their word. So these two pieces of legislation resulted in the biggest research and development expansion program ever undertaken in the medical research sector in recent history.

Before 1987, brand-name drug makers spent only 3.5 to 4.5 per cent of their sales revenues on research and development activities. After C-22 was passed, the ratio of research and development spending increased to 6.1 per cent in 1988 and to 9.7 per cent in 1991. The latest figures available, for 1993, show a ratio of 9.9 per cent.

We see that investment on research and development has practically doubled since the two bills were passed, from less than \$100 million to more than \$400 million invested in medical research, within less than seven years.

Just on this point, we can see that these two laws were a success, but we must hope that drug makers will continue and raise R and D spending to over 10 per cent of sales, to come closer to American innovative companies that invest 14.2 per cent in R and D and their British counterparts, who invest up to 20 per cent.

A second major consequence of this reform was to maintain the price of patented drugs. That was the biggest concern of

opponents of C-22 and C-91. Even today, we see in this House that it is still this aspect that seems to give the greatest concern to opponents of this reform.

(1825)

We must admit that drug prices account for much of the health spending of various governments. An aging population, greater consumption of health care and increasingly sophisticated research affect the kind and amount of drugs consumed and the funds allocated for drugs.

To avoid sudden increases in patented drug prices, the prices review board was created with the mandate, which it still has, of ensuring that innovative companies do not jack up above their actual value the price of patented drugs leaving the factory. The board must therefore take into account the price of drugs sold in other countries, the price of other medication in the same therapeutic category and other factors to determine whether the drug price is excessive. The Minister of Industry and the provincial ministers have the right to intervene at the board's hearings.

From 1987 to 1992, the price of patent drugs increased at an annual average rate of 2.9 per cent, compared to 4.2 per cent for the consumer price index. Since 1988, the price increase has remained lower for patent drugs than for drugs as a whole. We must therefore conclude that the Patented Medicine Prices Review Board, with the added power delegated to it by Bill C-91, was able to fulfil its role and prevent undue price increases for patent drugs.

The third consequence of the reform is mainly the result of Bill C-91, which is the legislation we are now being asked to revoke. Yet, this consequence, which I would call global realignment, is absolutely normal and was unavoidable. In these days of trade liberalization and free trade zones, Canada must provide its industries and its economy with a legislative framework that will allow them to be competitive at the international level. The two acts were passed with that objective in mind.

It is interesting to make a comparison with other industrialized countries. While, as a rule, patents for drugs are granted for 20 years, some countries have gone even farther by extending that 20-year period so as to absorb the marketing period, which can sometimes be up to ten or twelve years. This is the case with the EEC which, since June of 1992, may grant a five-year extension, depending on the length of the marketing period, so as to guarantee exclusivity to patent holders for 15 years.

Japan and Australia have also granted extensions of five and four years. It is in Canada's interest, given its limited market, to ensure that intellectual property laws are governed by GATT proposals. Indeed, the primary objective of Bill C-91 was to align the Canadian legislation on intellectual property of patent drugs with the laws and regulations in effect elsewhere in the world.

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The fact is that before Bill C-91 became law, Canada was the only industrialized country which did not treat drugs like any other invention. There is no doubt that in 1993, when it decided to abolish the compulsory licence program for pharmaceutical products and harmonize its policy on intellectual property with the rules governing its major competitors on the international scene, Canada gave itself one of the best tools to get the investments it needs.

The motion asks us to repeal the 1993 act, better known as Bill C-91, to make patent drugs more affordable. Clearly, the provisions contained in the federal act can ensure the protection of consumers against price increases for prescription drugs, while at the same time promoting research and development, as well as the creation of highly skilled jobs.

The protection provided by Canada to pharmaceutical patents before Bill C-91 became law kept product manufacturers from being competitive. While Canadian companies had a seven-year protection, their American and European competitors were being granted exclusivity for 14 years.

(1830)

Canada and Quebec cannot overlook the favourable conditions offered by our foreign competitors.

I think I have shown that Bill C-91 also provides an adjustment mechanism in this era of freer trade. This legislation enables Canada to adjust and to harmonize its laws and regulations with the international agreements to which it is a party. Bill C-91 was the outcome of a reform which has had positive and desirable consequences on the economy of Quebec and Canada, and this is why I firmly oppose this motion.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I think it is important today to put this whole debate into context. First of all, the hon. member moved:

That, in the opinion of this House, the government should consider repealing the Patent Act Amendment Act, Chapter 2,—

This is all very well but what will we replace it with? You know as well as I do how difficult if not utterly impossible it is to undo an omelet. This debate reminds me a little of the one we had on free trade a few years back. Even though I was one of those who voted against the free trade agreement then, I think it is impossible to go back, considering the investment decisions that have been made since. Going on with the free trade analogy, I think we should undoubtedly take into consideration, for example, the fact that plants that have closed in my riding because of free trade would not reopen if the agreement were cancelled. And those that opened since would surely close their doors. As you can see, when the eggs are broken, that's it! This is what I am trying to explain to this House.

Today we are faced with almost the same situation. An hon. member tells us we should cancel a measure which was approved a year ago. And with what would we replace it? What is the point now that investment decisions have already been made? Will that lower the price of drugs? We do not know. There is no proof of that. Will that encourage other industries? Probably not. Will this make us lose investments which could or should have been announced? This is quite possible. The problem with that kind of motion is that it does not take into account the constant evolution of things. Situations change. Moreover, as parliamentarians, we must realize that the situation changes not only in our country but all over the world.

I must say that, when we were debating Bill C-22 in this House seven years ago, I did not give much thought to the possibility that a GATT agreement would be signed in Marrakesh on April 15, 1994, and even less to the provisions of such an agreement. The same thing is true of Bill C-91.

I come back to Bill C-91 because there is something important about it. A little earlier today, during Question Period, the hon. members opposite said, and that is the other extreme: How dare you say that there will be a review of Bill C-91? You do not have to be a lawyer from Baie-Comeau—to use one of my favourite expressions—to understand that under, section 14 of Bill C-91, the present Act, there must be such a review. It is not optional, it is compulsory, it is written into the law. And guess who voted in favour of that bill? The hon. members of the Bloc who were here during the previous Parliament. They never proposed any amendment to remove that provision from the bill. So I say to them: Do not get carried away.

(1835)

Do not tell me that this legislation will never be reviewed. You voted for a bill that provided for such a review without proposing an amendment to delete this provision. I have here a copy of *Hansard* for December 10, 1992. I have looked at it carefully. No such amendment was moved by members of the Bloc in 1992.

Members opposite, do not come and tell me that you are against a review of the act in 1997. If you do, you are a little late, like the rainbow. The rain has already fallen.

So, the act provides for a review to be conducted no later than in 1997. That is reality. Since the members opposite voted for the bill without moving an amendment to delete this provision, we can assume that they were not against it.

Of course, members of my party, including myself, proposed a series of amendments at the time. My amendments were rejected, but that is unimportant. It is water under the Perley Bridge, as they would say in Hawkesbury.

Nevertheless, Bill C-91 became law and that law still exists today. It is unreasonable to suggest that we should repeal it

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completely, as the hon. member for Regina—Lumsden does in his motion, without offering any alternative to replace it.

I wonder what the hon. member would do if, God forbid, we had to vote on this. It is almost like watching a dog running after a tire, and wondering what would happen if it caught it.

Would he vote for it, knowing what the result would be the day after the vote? It is all very well to propose something, but one should always consider any proposal in the light of the following question: What will happen if it is agreed to? Because, should what he is proposing today get agreed to, the members opposite might face a deplorable situation.

It is easier to propose something, knowing very well that it has no chance of getting agreed to, than to propose something that just might be agreed to by other members of the House. Fortunately, the chances of the motion put forward by the hon. member for Regina—Lumsden being agreed to are almost nil. I think I have clearly shown why a little earlier.

In 1992 we had a full debate here in this House of Commons on that piece of legislation. At that time, members of various political parties publicly stated their point of view on the bill, and then Parliament, in its wisdom, no matter whether I agree or not with what it did, passed the legislation, but with a provision for a review which must take place in or before 1997. This was provided for in subsections 14(1) and 14(2) of the bill. I am sure you remember this clause very well, Mr. Speaker. You must have read it very carefully yourself.

Repealing this act today is not a solution to be considered, because it does not give us any assurance that prices would drop, that jobs would be created, or that research needed to find new drugs for various illnesses would be conducted.

(1840)

Mr. Speaker, you know my 16-year-old daughter Julie, who is asthmatic. She must use a pump made by one of the large pharmaceutical companies based in Kirkland. Other similar products, albeit generic products, were recommended to her at one point. In her case, and I do not consider this trivial, the supposedly equivalent generic product did not prove to be effective. Her condition deteriorated. She leads a normal adolescent life, very active, but when she has a bronchitis attack, the situation is quite alarming at home. We must then immediately fetch one of these pumps. As expected, there is one pump in her school bag, and others scattered around the house. When we come across a pump that does not have a well known brand name, we avoid it, because we know the results, or rather, the lack of results that we can expect to have.

Research is crucial. I say this personally, based on my own experience. The member's initiative does not guarantee any improvement, any research, and any reduction in prices. Again, when the eggs are broken, that's it.

[English]

Mr. Hugh Hanrahan (Edmonton—Strathcona): Mr. Speaker, I rise today to discuss the motion introduced by my hon. colleague. Motion 167 allows us to discuss the possibility of repealing Bill C-91 which was passed during the 34th parliament.

I believe that in all fairness to both the generic and to the brand name manufacturers we should hold off on this debate until such time is allowed to determine whether Bill C-91 has had a positive or a negative impact on research and development spending in Canada, employment and health care costs.

In fact, it is already explicitly stated in sections 14(1) and 14(2) of Bill C-91 that a review of this bill will be done in 1997. We should allow the Patent Medicine Price Review Board and the drug manufacturers time to adjust to this new legislation. However, I would like to make a few comments on the motion.

First, I think that it would be useful to examine why we need patent protection in the pharmaceutical industry. Patent protection is crucial to this innovative sector. These companies require a certain amount of market exclusiveness guaranteed to them in the form of patents in order to recoup their research and development expenditures and finance the development of new products.

I believe like other inventions pharmaceutical products are entitled to patent protection. Unlike other products, however, the pharmaceutical industry must undergo a strict regimen of tests and evaluations to determine a product's safety and efficiency before it can be sold commercially. This testing process is rigorous and time consuming, involving animal and clinical trials.

Essentially Bill C-91 allows patent extensions to approximately three or four years. This extension still does not bring us in line with the rest of the world. In fact, the European Community averages 15 years, the U.S. 14, while Canada is at 10. It is little wonder that Canada has also one of the lowest research and development spending levels compared with the rest of the developed world.

Since 1987 when Bill C-22, the previous amendment to the Patent Act, was introduced R and D in Canada also increased. It was through Bill C-22 that multinational pharmaceutical manufacturers agreed to spend 10 per cent of Canadian sales in R and D in Canada. As a result R and D in Canada has increased approximately 250 per cent between 1988 and 1992. However, as mentioned earlier, it is too soon to determine just what impact Bill C-91 will have on the R and D spending in Canada in the long run.

(1845)

Yet I do know that since the passage of Bill C-91 the pharmaceutical industry has spent over \$600 million in research and development in Canada. This is a large capital output which has been a benefit to all regions of Canada.

Other key issues that must be considered are the mandate and powers of the Patented Medicine Price Review Board. This body was created under amendment to the Patent Act enacted in Bill C-22. The board was also amended in Bill C-91 during the last Parliament. The board is a quasi-judicial body which has the power to issue corrective orders when at the outcome of a hearing it is determined that the price of a patented drug sold in Canada was excessive. The board's jurisdiction extends to all patented medicines sold in Canada, whether they be prescription or non-prescription.

The mandate of the board is threefold: first, to ensure that the factory gate prices of patent medicines charged by the drug companies are not excessive; second, to report annually on the activities and pricing trends in the pharmaceutical industry; and, third, to report annually on research and development expenditures by the patented medicine industry.

The board's pricing guidelines ensure that no medicines exceed the international range regardless of the category in which the drug falls. These guidelines also ensure that price increases do not surge above the estimated consumer price index.

Since the creation of the board the prices of patent medicines in Canada have increased on average less than the consumer price index per year. Prior to the establishment of the board prices of the patent medicines rose on the average twice that of the consumer price index.

The principal amendments to the Patent Act brought about by Bill C-91 include new remedies for firms that charge excessive prices. These remedies include ordering price reductions, ordering a monetary payment in the amount of the excess revenues, and the extension of the patent life of patent medicines by approximately three years.

With the adoption of Bill C-22 the pharmaceutical industries in Canada increase both their patent protection life and the amount of employees hired. In fact employment increased by almost 15 per cent from 1987 to 1991. Again I believe we should have had a longer time period in order to assess the impact Bill C-91 will have on the employment rate in the pharmaceutical industry.

Another key area that must be examined is whether or not the extension of the patent life to 20 years has increased health care costs in Canada. Again the jury is still out. There has not been sufficient time to do a realistic study of the prices of medicines in Canada that relate directly to the patent life. Bill C-91 allows the board to be an effective control and watchdog that has some

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real teeth to it, which ensures that drug prices do not become an albatross to the health care system.

According to the executive director of the Newfoundland Hospital and Nursing Home Association, the boards have brought the pricing back down and companies have made large settlements. The Drug Prices Review Board seems to have done some very positive things which have brought companies into line.

As mentioned earlier the board has a new mandate which is ensuring that those manufacturers that wish to break the pricing standards will be financially accountable.

If we look at the total costs of health care the pharmaceutical industry's portion of these costs is approximately 2 per cent of health care expenditure in Canada. Therefore I am not overly convinced that allowing these companies an extension in patent longevity is the driving force behind our increasing health care costs.

A comparison between the generic industry in Canada and the United States illustrates a few interesting points. There are two Canadian companies that control 80 per cent to 90 per cent of the generic market in Canada and their prices average 60 per cent to 80 per cent of the brand name product. In the U.S. there are 200 to 300 companies that compete in the marketplace and the prices of the generic manufacturing there average 25 per cent to 35 per cent of the brand name product.

(1850)

I must state we are premature in discussing the pros and cons of Bill C-91 because it has not been enacted long enough to make a well informed, unbiased decision. I would think we would be better suited to discuss this issue in the future, allowing both generic and brand name manufacturers to have sufficient time to make changes and work within the new bill.

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1) the order is dropped from the Order Paper.

ADJOURNMENT PROCEEDINGS

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

MANPOWER TRAINING

Mr. Antoine Dubé (Lévis): Mr. Speaker, on April 13, I asked a question to the Minister of Human Resources Development concerning the new apprenticeship program for young people which, as you know, is now called "Young Apprentices". Unfortunately, my question was not answered satisfactorily.

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What I was asking the minister was to commit himself to give Quebec its fair share of the program funds so that it could invest them according to its own needs and priorities.

Instead of answering my question, the Minister of Human Resources Development criticized some figures that I had not even mentioned in terms of vocational training. Vocational training is a provincial responsibility. The next day representatives from both the Parti Québécois and the Liberal Party of Quebec in the National Assembly unanimously passed a motion asking the federal government to withdraw from vocational training.

Quebec was not the only one to make this request to the minister. At least three other provinces also expressed their reservations to the minister, which seemingly caused the cancellation of the federal-provincial conference that was expected for the next Monday.

Since then, the minister has continued to go forward unilaterally with this "Young Apprentices" Program, despite the fact that vocational training is, and I repeat it, the exclusive responsibility of the provinces.

Using federal spending power, with about 24 per cent of tax revenues coming from Quebec, the Minister of Human Resources Development admitted yesterday before a parliamentary committee that he used funds formerly allocated to community agencies to partly finance his new programs. For the benefit of Quebecers, I may point out that these programs are commonly referred to as direct employment programs.

I think it is highly improper to divert funds allocated to agencies that focus on local community development, in order to finance a new intrusion into a field of provincial jurisdiction. Hundreds of community agencies are now waiting for a reply from the Minister of Human Resources Development.

They talk about new models and new programs but never about new budget envelopes. They just recycle and fiddle with the existing envelopes for community agencies.

Does the minister really think he can fool us? When will the federal government finally understand that it is now time to reduce duplication, get rid of bureaucratic fat, encourage consultation on program financing and respect provincial jurisdictions such as education and job training?

(1855)

Will the minister finally understand that we can save more than \$300 million if he stops the duplication in the field of job training and if he gives the Government of Quebec the money he intends to spend in this area?

Finally, will the minister show some common sense and abide by the unanimous resolution of the Quebec National Assembly on job training and the various programs for young people recently announced by the minister?

[English]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I begin by saying that in the government's recent announcement of the youth employment and learning strategy we stated that we would work in close collaboration with all the provinces in the implementation of the approaches and specific programs for young Canadians. In saying this the government is committed to assisting Canada's youth through programs that complement those offered by the provinces.

Quebec has a very different apprenticeship program from those in all other provinces. In Quebec those who wish to learn a trade attend a CEGEP for two or three years and then seek out an employer. In other provinces a person who wants to learn an apprenticeship trade must find an employer who is willing to employ and to train him or her. As a result Quebec does not require nearly as many funds for apprenticeship as do other provinces. Therefore funds are allocated where they are most needed, such as for the forms of vocational training offered at CEGEPs.

In addition Quebec still receives more than its fair share for the province's youth through regular employment programs and services, as well as through special current initiatives such as the joint management of co-operative education and project based training courses which are jointly delivered with the SQDM.

We will continue to work with the province of Quebec to set priorities for our youth programs and, where possible, we will harmonize our programs with those of the province of Quebec.

[Translation]

HYUNDAI PLANT IN BROMONT

Mr. Gaston Péloquin (Brome—Missisquoi): Mr. Speaker, I have a question for the Minister responsible for the Federal Office of Regional Development—Quebec and it concerns the status of the Hyundai automobile plant in Bromont.

As the minister already knows, more than 850 workers lost their jobs when the plant closed. On March 23 last, I put a question to the minister asking him if he could provide any information to the residents of Brome—Missisquoi as to how the government planned to handle this matter. At the time, the Minister responsible for the Federal Office of Regional Development—Quebec informed us that he wanted to work closely with the Quebec government in an effort to find a way of reopening this plant located in my riding.

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Today, nearly one month after putting this question to the minister, I am again asking him for a status report on the efforts made thus far to bring this matter to a happy resolution.

For over a month now, all kinds of rumours have been making the rounds about the possible reopening of the Hyundai plant. It has been rumoured that work will resume either in 1998, in the year 2000 or in the year 2002, that the plant will close permanently, that other companies have agreed to buy the building. And I could go on. Furthermore, the employees received very little severance pay from the company.

You will agree with me that the situation is already quite difficult and that it is essential for the Hyundai workers, their families and those around them, as well as for all the taxpayers of Brome—Missisquoi, that we avoid creating still more confusion on this issue.

It is time for the Minister responsible for the Federal Office of Regional Development—Quebec to tell this House what he has done and what he intends to do so that the Bromont plant can reopen to make cars or any other product that would put back to work the 850 workers who are waiting to use their talents and dedication.

(1900)

[*English*]

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food): Mr. Speaker, I would like to begin by expressing once again the great disappointment felt by the government following the decision of Hyundai Canada to delay the reopening of the Bromont plant indefinitely.

We are well aware that a definite closing of this facility would be an immense loss not only for the eastern townships but indeed for all of Quebec. I would like to state today, however, that we do not regard this as a dead issue and we are not going to sit back and resign ourselves to our fate.

We have therefore undertaken consultations with the Quebec government in the hope of finding a solution to this problem. I would like to add that during a recent visit to South Korea in early April the Minister for International Trade had an opportunity to speak to the chief executive officer of the Hyundai group, Mr. Chung, as well as the chairman of the board of Hyundai Motor, the parent company of Hyundai Canada, a gentleman by the name of Mr. Chong.

Both of these gentlemen, I stress, clearly indicated their firm intention of reopening the Bromont plant for the assembly of a competitive vehicle which could carve out a place for itself in the automotive market.

Hyundai's directors have mentioned that they intend to submit a business plan in the fall of 1994. We will examine this

document carefully. We will go over it a second time with the Quebec government. The results of this examination will determine the type of support we will give to Hyundai to carry out its plans and reopen the Bromont plant.

Our government is committed to setting the economy of this country back on the road to prosperity. Our actions are an integral part of our desire to provide all Canadians with productive and well paid jobs like those in the automotive industry.

TRADE

Mr. John Solomon (Regina—Lumsden): Mr. Speaker, on April 22 I raised with the Minister for International Trade a question concerning the recent decision by the U.S. government which affected Canadian exports of durum wheat.

What happened at that time is that the American farm lobby pressured the U.S. government, the U.S. trade representative and the President to initiate some anti-dumping regulations and penalties according to the GATT agreement.

What this has done is really create an air of uncertainty for Canadian farmers, in particular farmers I represent in the province of Saskatchewan. The problem we have with this is that the Americans in every election year seemed to initiate a number of anti-dumping and countervailing actions on our Canadian exports.

This is a very serious concern because it seems that we signed the free trade agreements in 1988 and NAFTA in 1993. We signed last week the GATT agreements to facilitate freer trade, competitive trade between nations, particularly between Canada and the U.S.

Since these agreements have been signed we tend to have all of these actions, which are extremely difficult for many of our producers, particularly the grain producers in western Canada and in other parts of the country when they have a very good market. They have a very good product and they are very competitive in terms of their product. It is not subsidized to any great extent. It is an action of fair trade.

I was not totally pleased with the response I received during question period. It was very short. What I wanted to do is give an overview of my experience in Washington last week. I met with a number of U.S. congressmen to discuss trade issues as well as with the U.S. trade representative and other people.

What I concluded from all this is that in private the U.S. congressmen understand the issue of durum wheat imports into the U.S. They understand the complexities of trade and the commonalities between the U.S. and Canada. In many ways they are aware of the very important fact that Canada is the U.S.' major trading partner and vice versa.

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(1905)

Privately they are very consoling and they are saying do not worry about these things, they are pretty important to the farmers they represent but it is election year.

This is the point. We have all of the Congress of 435 representatives, congressmen, running for re-election this fall. We have 34 of the hundred senators running for re-election in the U.S. this fall. It seems that every two years, which is a very gruelling schedule for elections, the U.S. has a large number of these anti-dumping and countervailing actions taken upon Canada. It is not only Canada, it always means to target other countries like Brazil and Europe and South America and some of the Pacific rim countries, but it always includes Canada because it is really politically astute for it.

My question at this time is the same except I would like a little more information from the government. Can we have this government's assurance that it is going to protect Canadian farmers' interests and not cave in to this American pre-election posturing?

What I am looking for in specific terms is what is our week by week, month by month response to this action, which I classify as an unfriendly action on our country, to the Americans and to some of the businesses that are based in America that do business with Canada?

Can the hon. member give us a precise overview on what that might be?

Mr. Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food): In the brief time available to me, Mr. Speaker, I think I can help the member.

This is certainly an issue that has top priority with the government. It is an issue that has been raised at the highest level and that is between our Prime Minister and the President of the United States. The minister of agriculture, the Minister for International Trade and the government have the intention and the will to stand firm and hard in order to conclude an agreement which will respect the interests of the Canadian agricultural industry.

Specifically our object in these negotiations is to reach a deal that will protect Canada's access to the United States and which provides certainty and predictability for our agricultural and agri-food producers.

As the minister of agriculture has stated many times, there can be no deal unless it is a good deal for Canada. This means a good deal for the grains, food processing and supply managed sectors.

With respect to grains, we know that on April 22, last Friday, the United States notified the GATT of its intention to renegotiate tariffs on Canadian wheat and barley under GATT article XXVIII. By notifying us this did not shut the border. Negotiations can continue for 90 days, and if at the end of that 90-day

period the United States is determined and takes a unilateral action we will retaliate in kind. We will protect and we will defend the interests of Canada and the Canadian producers.

We trade fairly with the United States. Our success there has been because of our high quality and because of a shortage there; a shortage there that has been mainly created by its export enhancement program which has taken products out of the United States in order to take advantage of its huge export subsidies.

Throughout these negotiations which began in December we have consulted closely with the industry and the provincial governments on a very high level. We will continue to do that because we know that the bilateral trade between Canada and the United States of \$11.5 billion is important. We are committed to ensuring that this trade continues to grow for the advantage and for the future positive effects and mutual benefits to both countries.

[Translation]

UNEMPLOYMENT INSURANCE REFORM

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, I put my question to the Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec.

It pertains to *Opération Dignité II*. Representatives from this organization came to Ottawa to raise awareness among government members, because they felt their message was not getting through. They are from rural areas. I do not understand. Governments change, we had the Conservatives, and now the Liberals who were here also before the Conservatives, but the rural areas are more and more dependant on UI and welfare.

(1910)

Now, unemployment insurance is being cut. Years ago, the Eastern Quebec Development Bureau spent millions of dollars to close small parishes. Instead of creating employment they went out of their way to close villages. Fortunately some people in those places took things into their own hands. There was the first Operation Dignity, the *Ralliement populaire*—a citizens' coalition, and the creation of corporations to pool woodlots, the pooling of resources by land owners.

There were many demonstrations in the streets under the banner of the *Ralliement populaire* and we were able to get a plant, Panval de Sébec. People managed to keep open the parish of Sainte-Paule which was scheduled to close. I invite you, Mr. Speaker, as well as the minister of regional development, to come and visit this parish which took hold of its own destiny.

Other municipalities did the same thing. But governments do not seem to have any political will, they seem to be trying to turn the Gaspé Peninsula into a huge park. It is harder for us to get a bit of money for a slaughterhouse than it is for Hibernia to get billions. And all this money might not be bring a good return on

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investment, while a few dollars for a slaughterhouse in our area would make sure that our beef would stay in our region, instead of going to Montreal or Toronto on the hoof and coming back as meat.

What was done over the last twenty years? Millions are spent on unemployment while we are just asking for a few thousand, a few million maybe, to produce finished products, but we are being refused. That is the reason why I was not at all satisfied with the minister's answer. I have this second chance, and I am sure that the parliamentary secretary will give me his vision of rural life. The minister promised he would come to my riding next summer. He said so on the 17th, when I invited him to come and talk to the residents of the Gaspé Peninsula.

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I would like to begin by saying to the member that I cannot speak on the minister's coming to his riding but one day I would love to visit his riding and I hope that one day he will come and visit my riding in downtown Toronto.

To the member I want to say that even though he looks after his people in a rural setting and I am in a downtown setting we both share and care in the same way. What the government is trying to do is take a number of steps that hopefully will put people back to work.

We are not just reforming the unemployment insurance system. We are also trying to urge the financial institutions and the banks of Canada to be more generous in their attitude toward small and medium size businesses, the businesses that the member described in his riding. With the support of his colleagues in committee we are beginning to have some success in that area. We are trying with our infrastructure program to get some activity stimulated in the member's community and throughout all of Quebec and Canada.

(1915)

We are also trying to the best of our ability to reform the tax system in the finance committee. There are a number of things we are trying to do. We know that there is a great sense of urgency and we are doing our best to move these projects forward.

Make no mistake about it, the member's riding will get the same attention and the same care as any other riding of any other member in this House.

On behalf of the minister I want to say that we do care about the pain that the member's constituents are experiencing and we are going to do our best to make sure that some of that pain can be relieved in the not too distant future.

[*Translation*]

DEFENCE INDUSTRY

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, two weeks ago, I asked a question of the Minister of Industry who, very casually, did not bother answering it. And yet, I was asking him a very important question regarding the conversion of defence industries to civilian production.

As you know, for the last three years, due to the international situation and defense budget cuts, the industries involved with defense production, 60 per cent of which are located in Quebec, have been going through horrendous times.

So much so that 10,000—Mr. Speaker, you heard right, I see worry on your face—jobs were lost in the military sector and it is the reason why I had asked the minister to highlight the concrete measures his government intends to take to remedy this disastrous situation.

I was flabbergasted when I realized that all he did was skate around the issue. The minister, whom I thought was an earnest man, could not tell us anything in spite of the promises made by his government during the election campaign. They are in the red book which has now become a black book for Canadians.

This government must give us its agenda and assist these industries. There are 600 in Quebec, 30 of them in jeopardy for lack of orders. And yet they have plans, and they know how to go about this long-awaited diversification.

Allow me to quote the great Quebec specialist in the area of conversion strategies, Professor Yves Bélanger who made a statement confirming my own conviction in the *Le Soleil* on April 16. He said the defence industry is not lacking in diversification ideas, especially given the fact that it gathered the greatest concentration of specialists attracted there by good salaries and research conditions.

And Professor Bélanger concluded that we must act quickly and adequately since recent experiences show that it takes from five to seven years to convert half a company's capacity from military to civilian production. We will necessarily lose some very important players along the way if the government does not act swiftly.

One wonders why the government does nothing; it certainly has the proper tool for it, namely the Defence Industry Productivity Program under the management of minister Manley and his department. It is the perfect instrument, the ideal vehicle for the implementation of a conversion program.

How come the minister has not found the vim to propose a schedule, and a concrete plan for addressing that problem which weighs heavily upon that important industrial sector?

Adjournment Debate

Mr. Speaker, you have here a man who is demoralized by this negligence on the part of the government, but I want you to know that the fight will not end for us until the government presents a concrete program or schedule. It can be sure that we will continue to fight relentlessly as long as the government will not have produced a real program including a schedule.

The stakes are too high for Quebec for us to allow the government to fail to produce a work schedule by the end of the session. We challenge it to act on this, Mr. Speaker, and you can be sure that we will be watching it closely and urging it to exercise great caution.

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I begin by saying how disappointed I am that the member for Hochelaga—Maisonneuve does not appreciate the British humour of the Minister of Industry. This is something we on this side of the House are all quite proud of.

I want to tell the member for Hochelaga—Maisonneuve that we are committed to carrying out our promise to assist defence industries in transition from high technology military production to high technology civilian production.

The member knows, because this member is educated and he is very close to these issues, that this is not like buying a can of soup, putting it in a microwave and 20 seconds later it is ready to eat. This is a very complex issue. The exercise of converting these defence industries into industries that are going to be viable in peacetime is very complex.

The member should know that we are committed and we are working with several organizations, especially in Quebec. As he knows, in the February budget the DIPP program was explicitly targeted for redesign and we are working with many companies such as Oerlikon and Paramax, so I would ask the member to please bear with us.

I think by the time we return from China along with the member and 100 small and medium-sized businessmen from all over Canada who are going there with us, there will be even more action on the DIPP conversion program.

[*Translation*]

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.21 p.m.)

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