



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Tuesday, February 13, 2001**

**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Tuesday, February 13, 2001

The House met at 10 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

• (1005)

[*English*]

### COMMITTEES OF THE HOUSE

#### PROCEDURE AND HOUSE AFFAIRS

**Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I have the honour to present the first report of the Standing Committee on Procedure and House Affairs regarding the membership and the associate membership of the committees of the House.

If the House gives its consent, I would move concurrence in the first report without debate.

**The Deputy Speaker:** Does the parliamentary secretary have the consent of the House to present the motion?

**Some hon. members:** Agreed.

**The Deputy Speaker:** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** I am simply asking the House if it gives its consent to the motion presented by the Parliamentary Secretary to the Government House Leader. I will ask once again. Is there unanimous consent for the motion put forward by the parliamentary secretary?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**Mr. Derek Lee:** Mr. Speaker, if you would check the record, when I proposed the motion for the disposition of this matter

without debate the House gave its consent and then I proposed it. If there was no concurrence, then that is another issue, but I did propose it.

**The Deputy Speaker:** We had a two step process. First, I asked the House if it gave its consent for the motion to be put forward and the House agreed. Second, I asked if the House gave its consent for the motion and that was denied.

I will hear further motions if there are any.

**Mr. Derek Lee:** Mr. Speaker, I have an additional motion. I ask for unanimous consent to propose the following motion for disposition without debate. If the House gives its consent I would move that the following members be added to the list of associate members of the Standing Committee on Procedure and House Affairs, and a list of some dozens of members is appended. I will not read the list.

**The Deputy Speaker:** Does the hon. parliamentary secretary have the unanimous consent of the House to move the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

\* \* \*

### QUESTIONS ON THE ORDER PAPER

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

**The Deputy Speaker:** Is that agreed?

**Some hon. members:** Agreed.

• (1010)

**The Deputy Speaker:** The Chair was given notice that a member would rise on a question of privilege. Since the member is not in the House at this particular time, I will put the matter aside.

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## GOVERNMENT ORDERS

[*English*]

### EMPLOYMENT INSURANCE ACT

#### BILL C-2—TIME ALLOCATION MOTION

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.)** moved:

*Government Orders*

That in relation to Bill C-2, an act to amend the Employment Insurance Act and the Employment Insurance (Fishing) Regulations, not more than one further sitting day shall be allotted to the consideration of the second reading stage of the said bill and, fifteen minutes before the expiry of the time provided for government business on the day allotted for the consideration of the second reading stage of the said bill, any proceedings before the House shall be interrupted, if required for the purpose of this Order, and in turn every question necessary for the disposal of this stage of the bill then under consideration shall be put forthwith and successively without further debate or amendment.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Deputy Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion the nays have it.

*And more than five members having risen:*

**The Deputy Speaker:** Call in the members.

• (1055)

[*Translation*]

(The House divided on the motion, which was agreed to on the following division:)

*(Division No. 4)*

## YEAS

## Members

Adams	Anderson (Victoria)
Assad	Augustine
Bagnell	Barnes
Bélair	Bélangier
Bennett	Bertrand
Bevilacqua	Binet
Bonin	Boudria
Brown	Bryden
Bulte	Caccia
Calder	Cannis
Caplan	Carroll
Castonguay	Catterall
Cauchon	Charbonneau
Coderre	Collenette
Comuzzi	Cotler
Cullen	Cuzner
DeVillers	Dhaliwal
Dion	Dromisky
Drouin	Duhamel
Duplain	Easter
Eggleton	Eyking
Farrar	Finlay
Fontana	Fry
Gagliano	Galloway
Godfrey	Goodale
Graham	Gray (Windsor West)
Harb	Harvard
Harvey	Hubbard
Jackson	Jennings
Jordan	Karetak-Lindell
Kilgour (Edmonton Southeast)	Knutson
Kraft Sloan	Laliberte
Lastewka	Lavigne
LeBlanc	Lee
Lincoln	Longfield
MacAulay	Macklin
Mahoney	Malhi

Maloney	Manley
Marcil	Marleau
Martin (LaSalle—Émard)	Matthews
McCallum	McCormick
McGuire	McKay (Scarborough East)
McLellan	Mills (Toronto—Danforth)
Minna	Mitchell
Murphy	Myers
Nault	Neville
Normand	O'Brien (London—Fanshawe)
O'Reilly	Owen
Paradis	Parrish
Patry	Peric
Peterson	Pickard (Chatham—Kent Essex)
Pratt	Price
Proulx	Redman
Reed (Halton)	Regan
Robillard	Saada
Savoy	Scott
Serré	Sgro
Shepherd	Speller
St-Julien	Steckle
Stewart	Szabo
Telegdi	Thibault (West Nova)
Thibeault (Saint-Lambert)	Tirabassi
Tobin	Tonks
Torsney	Ur
Valeri	Vanclief
Whelan	Wilfert
Wood—133	

## NAYS

## Members

Ablonczy	Anders
Asselin	Bachand (Richmond—Arthabaska)
Bachand (Saint-Jean)	Bailey
Benoit	Bergeron
Bigras	Blaikie
Borotsik	Bourgeois
Brien	Brisson
Burton	Cadman
Cardin	Casson
Comartin	Crête
Cummins	Day
Desjarlais	Desrochers
Doyle	Dubé
Duceppe	Duncan
Elley	Epp
Fitzpatrick	Forseath
Fournier	Gagnon (Champlain)
Gagnon (Québec)	Gallant
Gauthier	Girard-Bujold
Godin	Gouk
Grewal	Grey (Edmonton North)
Guay	Guimond
Hanger	Herron
Hill (MacLeod)	Hinton
Keddy (South Shore)	Laframboise
Lalonde	Lancôt
Lebel	Lill
Loubier	Lunn (Saachich—Gulf Islands)
Lunney (Nanaimo—Alberni)	MacKay (Pictou—Antigonish—Guysborough)
Marceau	Mark
Martin (Esquimalt—Juan de Fuca)	Martin (Winnipeg Centre)
Mayfield	McDonough
McNally	Meredith
Merrifield	Moore
Nystrom	Obhrai
Pallister	Paquette
Penson	Perron
Peschisolido	Picard (Drummond)
Plamondon	Proctor
Rajotte	Reynolds
Ritz	Rocheleau
Sauvageau	Skelton
Solberg	Sorenson
Spencer	St-Hilaire
Stoffer	Strahl
Thompson (New Brunswick Southwest)	Thompson (Wild Rose)

Toews  
Tremblay (Rimouski-Neigette-et-la Mitis)  
Venne  
White (Langley—Abbotsford)  
Williams

Tremblay (Lac-Saint-Jean—Saguenay)  
Vellacott  
Wasylycia-Leis  
White (North Vancouver)  
Yelich—102

### PAIRED MEMBERS

\*Nil/aucun

**The Deputy Speaker:** I declare the motion carried.

\* \* \*

[English]

### PRIVILEGE

#### BILL C-2—TIME ALLOCATION

**Mr. Chuck Strahl (Fraser Valley, Canadian Alliance):** Mr. Speaker, I rise on a question of privilege arising from the motion brought forward by the government House leader in relation to Bill C-2. The government brought forward that notice of motion yesterday and we have now dealt with it in the House.

This is the second parliament in a row where the very first bill introduced by the government has been time allocated. A restriction on debate has already been brought forward by the minister in a very inappropriate way. I would like to explain what I think should happen in the follow up to this.

The use of closure and time allocation under this government has reached, I would argue, a disturbing and critical point of frequency. In the last parliament Bill C-2, the CPP legislation, the very first bill debated by parliament, was time allocated after only a few hours of debate. In this parliament the very first bill, the pro forma Bill C-2, again has been time allocated after a few hours of debate.

It is the same government, the same minister, and I would argue the same misuse of authority by using time allocation in this extremely unorthodox way.

On October 8, 1997, the hon. member for Winnipeg—Transcona raised a question of privilege regarding the closing off of debate on Bill C-2 in the last parliament. The member argued that our right to adequately debate was increasingly being violated by the government's rush to judge how much time was needed to debate a particular piece of legislation.

Beauchesne's sixth edition, citation 3, outlines some elements of the Constitution Act and our system of government which I believe are relevant to this very point. It states:

More tentative are such traditional features as respect for the rights of the minority, which precludes a Government from using to excess the extensive powers that it has to

### Privilege

limit debate or to proceed in what the public and the Opposition might interpret as unorthodox ways.

Going back to the argument presented on October 8, 1997, by the member for Winnipeg—Transcona, he suggested that the Chair intervene on behalf of the collective rights of parliamentarians to ensure that the traditional features as outlined in the citation I just read are upheld.

While the Speaker ruled not to intervene at that time, I would argue that since then and since we are embarking on the 69th record time allocation motion by the government, the moment has arrived to declare the measures imposed by the government today as excessive and unorthodox as described by citation 3 of Beauchesne's.

The case has been made that the Chair possesses no discretionary authority to refuse to put a motion of time allocation. I do not agree with this claim. I will prove, I believe, that the Speaker does possess the authority to refuse to accept this motion.

On May 2, 2000, during a discussion of the rule of time allocation with the Standing Committee on Procedure and House Affairs, the then Clerk of the House of Commons, Robert Marleau, responded to a question regarding the Speaker's authority to protect the minority in the manner described earlier. The Clerk said:

—it exists intrinsically in the role of the Speakership all the time—where there could be the tyranny of either side. It could be the tyranny of the majority or the tyranny of the minority.

At a subsequent meeting on May 4, 2000, the Clerk suggested that with time allocation the Speaker is less likely to intervene. There is a reference to this on page 570 of the *House of Commons Procedure and Practice*. However, the Clerk stopped short of suggesting that the Speaker would never intervene. He used as an extreme example that if the government time allocated every bill at every stage the Speaker might intervene, quite properly.

My interpretation of what the Clerk has said is that there exists a limit to what a majority government can do with respect to time allocation. The interpretation is supported by the citation I mentioned earlier from Beauchesne's, which states that a government is precluded from using to excess the extensive powers it has to limit debate.

The Clerk used the extreme example in his response because he knows it is not up to the Clerk to establish the limit to this unorthodox behaviour. We know, for example, that the 68 times the government has used time allocation apparently was not too many times. How many is enough?

Yesterday the government House leader gave notice of his intention to move the 69th motion, and now we have a new parliament and a new Speaker. I would argue we are at an epiphanal moment here for this new parliament.

*Privilege*

I would suggest to the Speaker that 69 motions moved within seven years for the sole purpose of muzzling the opposition on controversial legislation is excessive. It is unorthodox and it should not be tolerated.

• (1100)

On page 369 of Marleau and Montpetit there is a reference to an intervention by the Speaker on a time allocation related tactic used by the government. It describes how Speaker Fraser ruled on the government tactic of skipping over routine proceedings in order to go to orders of the day. As we are all aware, that tactic, if it had been allowed, would secure for the government the opportunity to move time allocation at will.

While Speaker Fraser had ruled such a motion in order on April 13, 1987, page 369 references another ruling where the Speaker ruled out of order a similar motion only a few months before. In other words, Speaker Fraser used his judgment on each and every situation and ruled accordingly.

In other words, an activity that might be completely in order today would be completely out of order in another set of circumstances. The Speaker has to use his or her judgment in the chair to rule these motions appropriate, out of order, unorthodox, or in excess. It is within the power of the Speaker to make that ruling and I would appeal again to the Speaker today on that basis. As Speaker Fraser demonstrated, a Speaker can intervene and should intervene when a government abuses its power and the rules of the House.

The rule governing time allocation can be found in Standing Order 78. Standing Order 78 provides for more than one day of allocated debate if the government never exercises this option, even on time allocation.

The government, by only allocating the minimum amount of time to debate each stage of a controversial bill, prevents the opposition from doing its job in the House of Commons. It prevents the opposition from enlisting public support for its point of view.

The right of an opposition to raise the profile of an issue in debate is one of the indispensable principles that make up parliamentary law and parliamentary procedure. These principles are described in Beauchesne's sixth edition:

To protect a minority and restrain the improvidence or tyranny of a majority; to secure the transaction of public business in an orderly manner; to enable every Member to express opinions within limits necessary to preserve decorum and prevent an unnecessary waste of time; to give abundant opportunity for the consideration of every measure, and to prevent any legislative action being taken upon sudden impulse.

Parliament is fundamentally about debate. It is also about the right to dissent in a civilized manner. Genuine political opposition is a necessary attribute of democracy, of tolerance and of trust in the ability of citizens to resolve differences by peaceful means.

That is why we come here to debate issues. The existence and the tolerance of an opposing point of view are essential to the functioning of parliament and to the functioning of a modern democracy. Speaker Fraser put it this way:

It is essential to our democratic system that controversial issues should be debated at reasonable length so that every reasonable opportunity shall be available to hear the arguments, pro and con, and that reasonable delaying tactics should be permissible to enable opponents of a measure to enlist public support for their point of view.

The Right Hon. John Diefenbaker, in an address to the Empire Club in Toronto in 1949, had this to say:

If parliament is to be preserved as a living institution, His Majesty's Loyal Opposition must fearlessly perform its functions. The reading of history proves that freedom always dies when criticism ends.

In 1967 a distinguished parliamentarian, the late Stanley Knowles, added this comment to the debate:

I submit, therefore, that you do not have full political democracy let alone the economic as well as political democracy unless you include a full and unquestioned recognition of the rights and functions of the opposition to the government of the day. Only in this way can you protect the rights of minorities. Only in this way can you make sure that the force of public opinion will be brought to bear on the legislative process.

One of the reasons an opposition exists is to some day replace the government. The opposition should conduct itself in parliament, so as to persuade the people of the country that it could be an improvement on the government of the day.

Our system of government works best when there is a change of government at reasonable intervals. However, if the government continues to silence the opposition at every turn, the opposition will never be able to use parliamentary debate to persuade the people of Canada. While the rights of the opposition are immediately and most visibly at stake here in this debate, ultimately the threat is to democratic rights and freedoms generally.

I would like to make a couple of suggestions to the Chair. First, perhaps it is time for the Chair to seriously consider the amount of authority and the amount of discretion that is available to him while he sits in that important position. The next time a motion to cut off debate is introduced prematurely in the House, I would argue it is time for the Speaker to look the other way, to not recognize the government House leader, and to say it is inappropriate, too early, not right, to stop the debate so early in this parliament.

• (1105)

I hope you consider that as an option, Mr. Speaker. If it does not happen soon, early in this parliament, we will get set in a pattern, as we have already seen, where the very first bill is time allocated and where we are restricted in debate on the opposition's side. Again we are unable to do our jobs in proposing alternate forms of government to the people of Canada.

*Privilege*

My second suggestion is that the government should seriously consider reforming the House in a meaningful way. The Prime Minister should stop referring to members as voting machines, as stone statues doing his bidding in the House of Commons.

I would argue from this point forward that maybe the best you could do for the opposition, Mr. Speaker, is to delay the moving of a motion on time allocation, at least to use your discretion to delay it for another day.

Every time the government House leader brings in a motion of time allocation, he brings in the minimum amount of debate. He closes off debate after one day. He could give more. He could give two. He could give three days and limit debate. He could allow for an ample discussion. However he uses the minimum amount of debate every time to stifle the opposition and stifle debate in the House.

I appeal to you in your position in the chair, Mr. Speaker, that you have the authority and the support of the House to use your discretion to give democracy a greater chance in the House. I would urge you to do it from this point forward.

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I wish that the Leader of the Opposition would listen attentively to what I am about to say. I cannot refer to the presence or absence of anyone, but I really hope he listens.

I am responding to what has been said by the opposition House leader. I know that those who do not want the bill to pass and have so indicated wish for me to dispense with what I have to say. Perhaps this is a way of getting themselves out of the embarrassing situation in which they have placed themselves.

**Mr. Monte Solberg:** Let us put closure on his speech.

**Hon. Don Boudria:** I think I have just heard the answer to what I have alleged and it is definitely in the affirmative. It sounded a lot like a plea of guilt over there.

Today the opposition is saying that there is a question of privilege. Of course there is no such issue before the House. This would be at best a point of order if it were valid.

The Chair is asked today to rule on the so-called “unorthodox behaviour of the government in having used time allocation at second reading of a bill on the third day that it is being debated in the House of Commons”.

Need I remind the House that in the U.K. House, for instance, every bill is time allocated to one day by definition at second reading, time allocated to around an hour at third reading, and now under the new parliamentary reform in the U.K. every bill will be time allocated in committee under what is called programming.

If using time allocation is unorthodox then I say a number of parliaments must be unorthodox. I will give an example of another parliament, more particularly the legislative assembly of the province of Alberta.

This issue has occurred pursuant to our standing orders. This procedure exists in our standing orders and has existed for some time. Yesterday I gave notice of my intention to move this motion today. Not once was it challenged at the time that the notice was provided to the House.

Today the motion was moved, and only after the motion was voted on, only after the point became moot, did the hon. member actually raise it as an issue.

• (1110)

**An hon. member:** So what.

**Hon. Don Boudria:** The hon. member across argues so what, so what if the rules are being bypassed this way. I would like to tell the House about the precedence of time allocation. I ask all colleagues to listen attentively to the issue of Bill 19, the school amendment act in the province of Alberta where closure was used at second reading, at committee and at third reading. Do you know which House leader was doing this, Mr. Speaker?

What about the seniors benefit act in the province of Alberta where closure was used at second reading and at committee? This procedure has to be correct. Do you know who used it, Mr. Speaker?

What about the much despised bill 11 of the province of Alberta? Do you know who time allocated that bill at every stage, Mr. Speaker? You would be right in guessing that it is the same person, the person who is the leader of the party that is now raising this issue in the House of Commons.

In the province of Alberta closure was used at every stage to close down kindergarten in that province. Do you know who the house leader was who used that procedure, Mr. Speaker?

All these things have one element in common. The person who is the Leader of the Opposition today in this House moved those motions in 100% of the occasions. Surely the person across must have been democratically minded when he did all that. Heaven forbid that he was anything else.

There are three things I bring to the attention of the House. First, proper notice was given of the use of time allocation. Second, it was the third day of debate at second reading on the issue. Third, those today who are saying that time allocation should not be used should put a giant mirror in front of themselves.



*Privilege*

[Translation]

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, I would like to add my voice to that of my colleague from the Canadian Alliance. I am concerned that the arguments put forth by the government House leader relate to behaviours exhibited in the Alberta legislature, not here in the House of Commons.

The debate must be put back in its proper perspective. Let us look at what is going on here in the House of Commons.

Let me simply remind the government House leader that, before throwing stones in the neighbour's backyard, he should look at the figures for the sessions during which he has been in charge of the business of this House.

The hon. member is right on target when he stresses the importance of the bill before us, in this second day of debate. We have had one day of debate, one hour yesterday, in the afternoon, and this morning the government is moving time allocation.

So, the first argument to the effect that this is the third day of debate is completely inaccurate. In fact, there has been one day of debate, one hour at the end of the day yesterday and today the decision has been made to move time allocation.

This is totally unacceptable, because the bill before us more or less seeks to restore and review the employment insurance program which, in recent years, has aroused very strong criticism from people in all regions of Quebec and Canada.

Moreover, this bill follows a government commitment dating back to the last election campaign. People have a right to know that what triggered an extremely important debate in Quebec and a commitment by the Prime Minister and most of his big guns in Quebec is now being debated in the House of Commons for a few hours, because of a gag order.

• (1115)

Now we are being asked, after a few hours of debate, to put an end to the discussions. The government is in such a rush to get its hand officially on the \$30 billion belonging to the taxpayers—

**An hon. member:** That's the real reason.

**Mr. Michel Gauthier:** —the government is in such a rush to legalize the holdup of the employment insurance fund—

**An hon. member:** That's the real problem.

**Mr. Michel Gauthier:** —the government is in such a rush to follow up on the commitments it made half-heartedly during the campaign that it wants to stop talking about them.

In certain cases, those promises have had the effect of misleading people in need of employment insurance. They were led to believe that the government would be open to bringing in changes to put an end to unfair treatment. The government claimed to be concerned about the unemployed and those with major social problems caused by government funding cuts. This is what people were promised during the campaign. Today, after one day of debate—could we say one day plus one hour—the government wants to end the discussion.

The people of all of Canada, and particularly the people of Quebec, to whom these commitments were made, have a right to know that today the government wants to muzzle the members of the House of Commons, prevent them from discussing these vital matters, prevent them from raising here the many cases in their ridings reported to them daily over the past few years by people who are suffering because of the government's appetite and never-ending desire to pocket money that belongs to someone else. That is reality.

I would remind hon. members, and I support my Canadian Alliance colleague on this, that the Liberal government has changed, but changed for the worse.

I would point out that, between 1968 and 1972, under the Trudeau government—and these figures are meant for you, Mr. Speaker, and I hope they will guide you in your ruling—during the 28th parliament, the ratio of time allocation motions to the number of sitting days was 0.3%. This means that, at the time, for 0.3% of sitting days, debate was held under a time allocation motion imposed by the government.

In the last parliament, for 7.7% of sitting days, there was a threat to cut off debate, which was held under a time allocation motion.

In the sessions under Mr. Trudeau, between 1968 and 1972 and between 1974 and 1979, time allocation was imposed in the case of 0.9% of the bills introduced, that is 4%. That is the percentage. In other words, time allocation, as we are facing now, was invoked in the case of 4% of the bills introduced under the Trudeau government.

In the last parliament, under this government, the figure was not 0.9% or 4%. Of all the bills tabled in this House, 21.6% were passed under time allocation.

**An hon. member:** Shameful.

**Mr. Michel Gauthier:** When my colleague speaks of a threat to democracy, when debate on 21% of the bills introduced in this House end in time allocation, we are entitled to ask where the government is headed with this.

The ratio of time allocation to bills receiving royal assent was 1.3% under Trudeau, 6.3% in his third mandate, 16% under the



Conservative Prime Minister and 11% under Trudeau-Turner at the time. How many times was time allocation invoked under the Liberals in the last session? We are not talking about 1%, 3% or 6% but 30%. Thirty per cent of bills passed by this House were subject to time allocation.

Seriously, how can citizens be expected to respect the work we do in the House? How can they be expected to respect members who are fresh from an election campaign and have promised to review a bill which has such a negative impact on Quebecers and Canadians?

• (1120)

How can they be expected to take seriously a government that promised right and left that it would sort out the employment insurance issue and that said it had not done so before the election because the Bloc Quebecois had blocked the bill, when in fact it was introduced just before the end of the session?

How can members of the public be expected to respect a government that allows only one day of debate so that it can officially get its hands on \$30 billion belonging to them? How can we be expected to respect a parliament in which 30% of the bills passed were subject to time allocation? How can we talk about democracy when the primary objective of the government opposite is to prevent members on this side of the House from expressing their views on something as fundamental as employment insurance?

I too ask the Chair to keep a critical eye on the government's behaviour in the future. It is too late now, because, once again, we have just voted. The government brought in a time allocation motion. We will no longer be able to debate employment insurance in the House because after one day the government has decided that it has heard enough.

This is a disgrace. I am asking the Chair to try to remind the government that it is engaged in an extremely dangerous exercise, which consists in gradually eliminating what is left of the democratic process in parliament.

The government is not only arrogant because of its strong majority, it also no longer tolerates, in a debate like this one, the diverging views expressed by the opposition. Electronic voting will soon be introduced in the House. Perhaps the whips will rise to vote on behalf of members of parliament. We will become mere pawns in this place and we will no longer be allowed to talk or to vote. We will no longer be able to remind the government that it made promises to people and that it is not fulfilling them.

I want to tell the government House leader that Quebecers will remember that, during the election campaign, the government promised to tone down the provisions of the Employment Insurance Act. Quebecers will remember that the House leader and his government took steps to ensure that the real issues would not be

### *Privilege*

debated and solved, and that they have given official sanction to their holdup of the employment insurance fund. This is unacceptable.

[English]

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, I thought I might assist the Chair by reflecting on some of the arguments that have been made so far.

It is said that politics makes strange bedfellows. This is no less true of procedural arguments when we find the Alliance House leader citing myself, the Bloc House leader citing Pierre Trudeau, and finally, even more interestingly, the government House leader citing the Leader of the Opposition and seeking refuge in the actions of the Leader of the Opposition when he was in the Alberta legislature for what the government is doing today.

This is certainly the strangest of the arguments that we have heard, because it may well be the case that the Leader of the Opposition had an affinity for closure when he was in the Alberta legislature. When it comes to closure one could say of almost all governments that we have all sinned and fallen short of the glory of God when it comes to time allocation and closure, particularly those who have had the experience of government.

However, two wrongs do not make a right and a hundred wrongs do not make a right. Every introduction of time allocation and closure has to be judged on its merits. That is what we are asking the Chair to do. There is time allocation that comes after lengthy debate and there is time allocation that comes after insignificant or insufficient debate.

• (1125)

I believe that what we have developed in this parliament, which I think is grounds for the frustration we find here today, is a tradition of introducing time allocation after insufficient debate. Major measures are introduced in the House but the government is very impatient. It would have been unthinkable at one time, as the House leader for the Bloc pointed out, for something as significant as this to be time allocated after only a day or two of debate.

Debate is not something to be avoided in this place. Some may have noticed that we have on the wall out there in the NDP part of the lobby a quote by the former dean of this House, the member for Winnipeg North Centre, Stanley Knowles, who said on December 10, 1968, probably in a debate about procedural reform or on a point of order:

Debate is not a sin, a mistake, an error or something to be put up with in parliament. Debate is the essence of parliament.

All the opposition asks is that when we deem it appropriate, we be allowed to debate things for a sufficient period of time. What we are asking for in this parliament is certainly not a pattern of obstruction.

*Privilege*

I remind the Chair that yesterday a bill of 900 pages in length passed this House in one day of debate and went to committee, just as the government asked. So this is not a pattern of the opposition saying that the government cannot do its business, that we will tie up the house of Commons and nothing is going to happen. That is not what we are talking about here. We are talking about one bill, a very significant bill having to do with changes in employment insurance, and various opposition parties are saying that they want to debate it a little while longer, that they have some concerns they want to put on the table.

When another bill, a significant piece of legislation in anyone's judgment, Bill C-8, the financial services sector legislation or whatever it is called, which is, as I said, 900 pages long, is debated in this House for one day and sent to committee, there is no pattern of obstruction there.

I believe, as I have argued before, that the Chair does have and should exercise the power to restrain governments that are time allocation happy, shall we say, and this is certainly a government that falls into that category.

It makes it all the more ironic that the government House leader should cite what happens in Westminster. Westminster is an entirely different situation, but if the government wants to talk about Westminster, then let us talk about the power that the Speaker has at Westminster when it comes to time allocation. We only got one side of the story from the government House leader. I do not think we should get too much into citing Westminster. We have our own traditions in this place, but I think we can learn from Westminster in the same way that we can learn from other parliaments.

We have our own traditions here. We had a tradition in the House that where there was a desire for lengthy debate on a particular bill, that kind of debate was permitted. That tradition has been allowed to erode over several parliaments. This government takes it for granted that it has the right to exercise its perceived right to bring in time allocation after only a day or two of debate and it does not expect to even receive any trouble for doing so.

So, Mr. Speaker, you do have something to consider here. Unfortunately, I think the point is well taken that you cannot do anything about time allocation on this particular bill because the point of privilege was introduced after the vote. Perhaps it should have been introduced before so that you would have had the opportunity to rule on this particular time allocation, because you really cannot rule on time allocation in general. You do have to rule on time allocation specifically. This will, I think, make it difficult for the Chair in this particular circumstance.

However, I have every confidence that we will be here again. Perhaps we will be here before a vote is taken or at the moment at which a motion for time allocation is introduced, which would give

the Chair more opportunity to say, depending on the circumstances, that it is a motion he is not going to hear at that particular time because he does not believe the House has been given sufficient time for debate on that particular matter.

• (1130)

Finally, it does not surprise me that the government does not want to have a great deal of debate on this. Maybe it does not want Canadians to know in any great detail, thanks to the speeches by opposition members, just what is in the bill and what is not in the bill. Maybe it is embarrassed by the fact that it has been literally robbing the unemployed for years and years to pay for its surplus. It has been on the backs of the unemployed and at the expense of the benefits that once would have gone to unemployed people that the government has achieved its so-called fiscal successes. Perhaps that is something that it would rather not talk about. In that context, we fully understand the guilt that has driven the government to this procedural extreme.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, having listened to all of the participants in this particular question of privilege, there is much wisdom in what has been said on this side of the House, the opposition side of the House.

The greatest irony of all is that the government House leader made many if not all of the same submissions when he was a member of the opposition. I want to refer to a document that was made public on January 19, 1993. It reads as follows:

Canadians, including those who are elected to serve in Parliament, expect the House of Commons not merely to discuss openly the problems of the nation, but also to advance solutions. They expect the Commons to explore Canada's problems rationally and to establish policies for resolving them. These expectations are not being met.

The document further states:

As a result, debate on controversial legislation is usually characterized by negativism, unnecessary repetitiveness and even destructive oratorical pyrotechnics. This is the inevitable result of depriving Members of the meaningful role for which they were elected.

The final quote reads:

At present, reports to the House and debates are at the whim of the Government leading to a lack of coherence and public involvement in the discussion of these important issues.

This document, which bears on its cover, the distinguished name of the government House leader, was entitled "Reviving Parliamentary Democracy: The Liberal Plan for House of Commons and Electoral Reform".

The words of the government House leader have completely reversed his position of not so many years ago. Obviously there was a time in his life when he had greater respect for democracy

and for this institution, which Canadians are looking to at this critical time to become relevant, an institution that would allow all members of parliament to take part in meaningful debate.

To suggest that the bill that is now before the House is not important enough to extend by a few hours the debate that is to take place, is ludicrous. It is insulting to Canadians.

This legislation, which the government now diminishes by bringing in time allocation, was important enough to dangle in front of the electorate just prior to the election call. Let the record show that the bill, had it been so important then, could have passed through the House of Commons before the election. There was significant support for that legislation. There still is support for the legislation with some possible changes that might take place at committee.

The excessive use of time allocation, which members on the opposition side find tremendously offensive, is again something that the government House leader used to rail against while in opposition. He has gone to great lengths to point out what other members and, in particular, the Alliance leader did while he was a house leader in the provincial legislature. It struck me that he was almost jealous that the Alliance leader had taken the use of time allocation to a new level that he has not yet achieved.

Using time allocation 69 times obviously indicates that the government House leader is a bit trigger happy. He has done this at the earliest possible opportunity on this important legislation. My colleague from Winnipeg—Transcona said that 100 wrongs do not make a right but certainly 69 wrongs do not make a right. We should look at each and every case on its merits and on its individual aspects when it comes to the legislation itself.

• (1135)

I would urge you, Mr. Speaker, to take the following question into consideration in your learned deliberations of the issue. What is the rush in this particular instance? What is the presiding urgency of getting this issue through the House at breakneck speed?

**Mr. Chuck Strahl:** They don't have a committee to send it to.

**Mr. Peter MacKay:** The opposition House leader makes a very valid point. The committee, which would receive this particular bill, has not even been comprised. It is absolutely perverse that we would rush the bill through so that it would be held in abeyance. It would be nebulously floating out there somewhere in never-never land waiting for the committee to be comprised.

I think we have to look at all the factual circumstances here. The government House leader has jumped the gun. He has brought in time allocation, and I will not use a vulgar analogy about why dogs

### *Privilege*

do certain things to themselves, but he is doing it simply because he can. It makes one wonder if in fact the time that he spent in opposition has left him with some deep psychological sense of insecurity or maybe he spent a lot of time hanging around in a gym locker when he was a kid because he is bullying the House of Commons. That is what is happening.

In simple terms, the government House leader is taking advantage of the rules because he can. There is no need whatsoever for the government House leader to bring in time allocation on this bill and in many other instances where he has exercised that discretion.

Mr. Speaker, I do not want to prolong this. I understand that you will consider the arguments that have been presented. I believe that it was quoted by the Bloc House leader that 30% of the bills that we have seen passed over the past seven years have been time allocated. I would suggest that the percentage is an outrageous proportion when one considers that the importance of these bills are discussed in this place.

The role of each and every individual in the Chamber is to have an opportunity to stand up and debate legislation. If we want Canadians to have faith in this institution and in the relevance of parliament, we must be able to debate intelligently and to make suggestions, not just to take a wrecking ball approach but to put forward thoughtful suggestions and thoughtful input into legislation.

It is a pre-emptive strike by the government to bring in time allocation on the bill when there is ample time to discuss it. There is obviously no urgency for the government to have the bill passed through the House in this instance.

**The Deputy Speaker:** I have listened attentively, as all of you have, to this question of privilege raised by the member for Fraser Valley, and subsequently followed by the government House leader, the hon. member for Roberval, the member for Winnipeg—Transcona, and finally the member for Pictou—Antigonish—Guysborough. I know you would all recognize that in each instance those members who spoke were all House leaders of our respective five political parties in this 37th parliament.

I believe the issue has been made quite clear through the interventions of the various points of view, the arguments and the suggestions put forward to the Chair for deliberation. I would suggest that unless members have some new element to bring to the attention of the House, I would like to take this matter under advisement at this time.

• (1140)

**Mr. Chuck Strahl:** Mr. Speaker, the reason this issue was brought up today was that we were caught in a catch 22 in the last

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parliament. We asked to raise the issue of time allocation when the government had given notice of motion to bring it forward. The Chair ruled that we could not raise it at that time because the government had not followed through on its intention. In other words, we were told to wait until the motion was introduced and voted on and then we could deal with it. However, once it had been voted on, the House had expressed its opinion and therefore the Chair could not rule on it.

The reason the issue has been raised today in this manner is so the Speaker will be able to get his head around it for the next time. I know this was ruled on today, but you can understand the dilemma that we in the opposition end up in. A motion is put forward by the government but we are not allowed to speculate on anticipated actions of the government, therefore the Chair will not receive concerns about time allocation because the government has not moved it. Once it has moved it, it is too late.

Mr. Speaker, this issue is for the next time. This whole discussion today is about asking the Speaker to use his discretion for the next time.

**The Deputy Speaker:** The Chair has tried to demonstrate some patience and some generosity with regard to the interventions. I do recognize the seriousness of this question of privilege. The fact that we are so early into this new parliament, and for all the reasons and those mentioned previously, I will take this matter under advisement.

**Mr. John Williams (St. Albert, Canadian Alliance):** Mr. Speaker, I just want to say that freedom of speech is a very important thing in the House and debate on serious issues such as this should not be cut off.

I totally disagree with the government House leader who said that this is not a point of privilege. We are not just talking about freedom of speech, we are talking about the freedom to speak, and there is a big difference. Not only is the freedom to speak very important in this House, but it is something that was fought for and won at great cost over hundreds of years.

We have talked about the Westminster precedents. It was over there that these battles were fought and won for the right to speak. This debate should not be cut off. The government should listen to every member of this House who wants to speak to a bill.

We have had closure today, and we all know the debate has been around that, but the closure has meant the denial of the right to speak. When we lose that we might as well all just go right back home because it means nothing if we cannot speak in this House where our privileges are protected, and they are protected by you, Mr. Speaker.

Mr. Speaker, you are not the chairman of the House, you are the Speaker of the House, which means that you speak for the members as they argue against the government. I am sure you are aware of the historical record of how the Speaker had to fight to speak on

behalf of the ordinary members and stand up against the government. It may have been the crown and the monarch in days gone past, but now we have the government sitting right in the House. It is your job to stand up for the members against the government. We may have government members sitting in the House but it is the government that tried to deny members the right to speak. That cannot be denied.

I want to make one final point. We had this debate about a year ago. It was last March I believe when the government was consistently moving to orders of the day in order to bypass routine proceedings. I believe our House leader referred to that point when Speaker Fraser ruled that we could not move to orders of the day. Last year when we challenged the government's right, it withdrew the motion to move to orders of the day.

• (1145)

Therefore I say to you, Mr. Speaker, on behalf of all members in the House, that you have an obligation to stand on our behalf and say that we have a right to speak and the government has a right and an obligation to listen.

**The Deputy Speaker:** As I stated earlier, the question of privilege before the House is a very serious matter. I have ruled that I will take this matter under advisement.

If there are other points of order the Chair will receive them, but the question of privilege is under advisement.

**Mr. Leon Benoit:** Mr. Speaker, I rise on a point of order. In his presentation the Conservative House leader read from a document which had been prepared by the government House leader back in 1993. I would ask that document be tabled.

**The Deputy Speaker:** That document could be tabled by consent. Is there consent?

**Some hon. members:** Agreed.

**Some hon. members:** No.

\* \* \*

**EMPLOYMENT INSURANCE ACT**

The House resumed from February 12 consideration of the motion that Bill C-2, an act to amend the Employment Insurance Act and the Employment Insurance (Fishing) Regulations, be read the second time and referred to a committee.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, I will continue my remarks from yesterday



evening. It is important that all Canadians acknowledge and realize that this system pertains nationwide. It is not limited or directed to any one region of the country.

The problems that exist in the system currently could very much be improved if the government took the time to listen to seasonal workers and to its own employees who handle EI problems in places such as the maritimes. They have suggested on more than one occasion that one method of improving the system and improving the method of determining EI benefits over a pay period would be to have it scrapped and replaced with a system of declaring hours worked on a weekly basis. If people do not work during a certain week they do not declare the particular week.

It is obvious that the EI system has major inadequacies that are placing Canadians who need help into tremendous debt. I have written personally to the current minister and the previous minister on a number of occasions, and I have not had the pleasure of a response, sadly.

On the issue of undeclared earnings, I wrote the HRDC minister over two years ago but have not received a response. Even then public concern over the inequity was growing. I have subsequently written again and the minister has not responded.

The Conservative Party is generally supportive of Bill C-2, but our support is conditional on the bill going before the committee so there will be further analysis and hopefully the opportunity to put forward amendments and changes, if necessary.

We are supportive to the extent that the bill will remove the existing intensity clause and will be committed to fixing the so-called repeater's rule which made it virtually impossible for a woman to receive employment insurance if she left a job to have a second child. However the Conservative Party does not support the government's refusal to deal with artificially high EI premium rates.

We would welcome the opportunity at committee to enact some of the changes we proposed and put forward during the recent federal election. Those included support for the continuation of an independent employment insurance commission and its role in recommending sustainable EI premiums.

The current legislation would give cabinet the power to set premiums for 2002 and 2003, which actually gives the government a further year to study the premium setting. This was the case with the previous Bill C-44. The thought of having this provision removed from the independent body and handed to the cabinet and the finance minister is unacceptable.

• (1150)

Other groups, such as the Canadian Restaurant and Foodservices Association, have spoken out against the move. The Conservative

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Party supports the CRFA and its opposition to the Liberals' approach, which is seen as very paternalistic and a manoeuvre that would create more problems than it would address.

We are also committed as a party to the investigation, with the employment insurance commission, of a proposal that would move toward the establishment of an individual EI account and an EI rebate program that would enable workers to roll a portion of their EI contributions into an RRSP upon retirement.

There is no reason why EI rates are so high. At the end of last year the EI account had a cumulative surplus of over \$35 billion. The \$2.25 employee premium rate will drive the cumulative EI surplus above the \$40 billion mark by the end of 2001.

The recent auditor general's report blasts the government for the way in which it has handled the account. The auditor general rightly points out that the EI surplus is well over twice the maximum amount that the chief actuary of HRDC considers sufficient as a reserve for the account. This is because of the unnecessarily high premiums that the government refuses to significantly reduce.

As seasonal workers in Atlantic Canada and across the nation suffer from the Liberal cash grab, it becomes very frustrating for a member of parliament who represents an area with many seasonal workers and high unemployment, such as Guysborough. There is great frustration among those workers and employers when premiums should and could be reduced to the \$1.90 mark from the current level of \$2.25.

There is ample opportunity for the government to correct the inadequacies in the bill. We look forward to the opportunity at committee to bring forward amendments that would improve the legislation.

**Mr. Ken Epp (Elk Island, Canadian Alliance):** Mr. Speaker, I am pleased to enter the debate on employment insurance revisions. Before I do that, I want to make a few comments about the unconscionable action of the government in invoking time allocation today.

It used to be that governments invoked closure, which basically said that the House did not adjourn until the debate collapsed. Those were days when the House would sit right through the night and debate continuously until there were no members left to speak.

Time allocation is even worse than that because it does not even allow members to stay until midnight or two or four in the morning to speak. It says that at 6.15 p.m. today we are done. I think it is unconscionable of the government to say that we may not even express our views after a certain point.

I am very fortunate that I am designated now to give a 10 minute speech, so I am able to express my views. What about all the other

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members who want to speak on behalf of their constituents on this very important bill? They literally are not allowed to do so because of the government's action in passing the motion a few minutes ago.

Furthermore, it is very sad that all the members on that side automatically vote for a bill such as this one, when on this side we would very happily vote against time allocation or closure. However, on that side a sudden transformation seems to take place. They somehow deposit their brains at the door and become stone statues. They no longer use their own heads. They just do as they are told.

I know a certain degree of respectability is required in parliament. We sometimes need to submit to each other. A husband and wife do not get along unless they do that. We have a certain degree of that in the House. However, it has to be wrong when members blindly follow orders with which they do not agree.

I am very surprised that Liberal members do not have the fortitude to stand on their own and say what they will do. We will probably see the same thing tonight when members will all vote against their own election platform of 1993.

• (1155)

Parliament is being eroded. I am beginning to think that perhaps my colleague from the previous parliament, Lee Morrison, had it right when he said that this place really was a waste of time because of all the restrictions and controls put on it by the government.

I regret that Canadians did not see through this and that Ontarians, because of all the misinformation, were once again persuaded to elect Liberal candidates instead of voting for what is right: a parliament that actually works on behalf of Canadians.

In order to actually use my time I will say a few things about Bill C-2, the amendments to the Employment Insurance Act. A number of issues are very important to Canadians, and one of the most important is that the rules should be the same for everyone across the country.

I know one can say that in areas of high employment it is tough to get a job, and that EI benefits in such areas should therefore be increased or extended. That is a reality. However, right now there is a problem of greater magnitude on the prairies with respect to farmers.

When we lose our job we lose our income. Without income we cannot provide for our families. We have great sympathy for people who lose their jobs or who are in seasonal work. However, there are also farmers in seasonal work who have now lost their income because of the inaction of this government.

Input costs for farmers exceed what they are able to get for the sale of their products. Consequently their incomes have gone to

zero or negative. Is there any help from the government for farmers? Not that we can see. Big, heady announcements have been made but nothing has been delivered.

What we get are farmers having to pay their accountants \$500 or \$600 to do the bookwork to determine whether they are eligible. When farmers do submit their applications they get back \$5 or \$10 because that is all they qualify for, and a bill from their accountant.

It is absolutely absurd that the government cannot solve a problem.

The government recently gave out \$1.3 billion in energy rebate cheques to Canadians, 90% of whom probably did not pay heating bills. The government says that the rebate was meant to compensate Canadians with high heating costs. However, the government has totally mismanaged it. It is really a \$1.3 billion boondoggle in the sense that the rebates went to people completely off the target. The government totally missed the mark.

The Employment Insurance Act also has a problem in reaching its target. Frankly, if someone loses his or her job it does not matter whether 10 or 100 of his or her neighbours have lost their job. It is a very personal thing. The person is saying that he or she has lost his or her job and income. It should not matter whether they live in Alberta, Saskatchewan, Manitoba, Prince Edward Island, Nova Scotia, New Brunswick or Newfoundland, if people pay into EI and lose their job they should receive benefits until they get another job.

We use the word insurance, so let us talk about insurance. What if my house burned down and my insurance company said that because not too many houses burned down in my area this year it would not pay me? Insurance companies do not base their decisions on that. If there is an area where a lot of houses are being destroyed by fire they will probably look at it and see what they can do in the area of prevention. This is another area in which the government has totally dropped the ball. To get people off unemployment they have to have jobs. Has the government done anything other than make big announcements, especially during an election campaign, about some teeny-weeny tax cuts, instead of some substantial tax cuts and policies that would encourage businesses not only to stay here but to establish here and to create new employment? No, it has not.

• (1200)

The unemployment rate is now going up and our economy is in the doldrums. Why? It is because of the total failure of the government to provide policies that would make our country excessively strong in the world economy. We are hangers on with a weak dollar. That is the only thing that seems to be an advantage for Canadians right now because all of us are being asked to take a 30% cut in our earnings in order to sell our products around the world. That is helping but what a price we are paying for that. It is not a long term solution.



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There are a lot of things wrong with the EI bill. One of the other things that comes to my mind is the total unfairness of the employment insurance rate structure. I know the rates have gingerly come down and the Liberals will crow about this.

The surplus in the EI fund is \$25 billion, now possibly \$30 billion in terms of the actuarial value. The present act says that the chief actuary should give advice. At the present time the surplus in the EI fund is double what it needs to be, yet the government keeps collecting huge amounts of money from employers and employees. In fact, it is collecting 40% more from employers than from employees. No wonder these people do not have any money to invest and to hire more people. That is the crux of the matter.

What does this bill do? It takes away the actuarial requirement and simply gives the rate setting structure as a new power to the minister. No wonder we are upset about this bill. No wonder we want to talk about it and change it. I wish the government would be willing to do that.

**Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.):** Madam Speaker, I appreciate the opportunity to speak on this very important piece of legislation. This bill illustrates once again the progressive agenda of the government.

The agenda was set with foresight in the beginning and has been followed consistently ever since. This is an agenda that was vindicated by Canadians in the last election. The critics of the government claim that the contents of Bill C-2 represent backtracking on the reforms introduced in 1996. Nothing could be further from the truth.

If members will recall, it was generally agreed during the early days of this government that the unemployment insurance scheme had to be replaced. Everybody agreed to that. After much consultation with Canadians and despite the outraged cries of the opposition, the government brought in a program to replace the old regime with the employment insurance program.

The new plan was designed to be sustainable, to be fair, to encourage work, to reduce dependency on benefits and to assist those in need and help workers get back to work and stay at work. These goals are being achieved by the employment insurance program.

The program was implemented with the knowledge that being new it would not necessarily be perfect. We knew that time would show up areas requiring improvement. The legislation allowed for a period of continuous monitoring and assessment of the program to measure its impact on people, communities and the economy.

This is not the first time adjustments to the EI regime have proven necessary. The government acted quickly in 1997 to launch the small weeks pilot project in order to correct a disincentive for

some people to work weeks with low incomes. Our studies and discussions with Canadians have shown us that while many parts of the EI program are working well, there are some provisions that have proven ineffective or in some cases, punitive, particularly toward seasonal workers.

• (1205 )

We have always had and always will have seasonal industries in Canada. These industries are in fact vital to our economic well-being. Because these industries by definition employ people for only part of the year, we must ensure that our economic and social programs include these workers.

While EI aims at helping all unemployed workers, we also have to recognize that some groups, such as seasonal workers, have particular needs and that the program does indeed have special features built in to benefit seasonal workers. The hours based system, for example, takes into account the fact that seasonal work often includes long hours of work over a short number of weeks. As a farmer I can attest to that.

As I have mentioned, one of the intentions of the EI program is to reduce dependence on benefits by all Canadian workers, including of course seasonal workers. The so-called intensity rule was therefore introduced to discourage the repeat use of EI benefits by reducing the benefit rate of frequent claimants. It was designed to encourage people to take work.

However, we have gone through a period of unprecedented economic growth and not all Canadians have benefited equally. Seasonal workers tend to be among those whose fortunes have not improved in step with the overall economy. Some regions still experience double digit unemployment rates. This is reflected in our monitoring and assessment reports. They indicate that the proportion of benefits paid out to frequent claimants has remained stable at around 40% since the introduction of the intensity rule.

The unavoidable fact is that many seasonal workers may have little choice but to resort to EI benefits. There simply may not be enough job opportunities available to them in the off season. In other words, what was intended as a disincentive to rely on benefits has become a punitive measure where there are few alternatives available. That is why Bill C-2 proposes the removal of the intensity rule.

Meanwhile, to provide a real solution to workers in these circumstances, the EI program retains one of its most important provisions, the active measures under part II, the employment benefit support measures.

Using these instruments, the government will continue to work with the provinces and the territories and at the local level to develop long term solutions that will diversify local economies and make them self-supporting in providing jobs. The long term

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solutions require a concerted effort by all levels of government, businesses, community leaders and other Canadians to develop effective measures.

We need measures to ensure that the necessary education and training opportunities are there for the workers in the seasonal industries. We need measures to promote economic diversity in communities that rely on seasonal work. We need measures to build the capacity of communities to become economically self-sustaining. The government continues and will continue to work in partnership with all Canadians to ensure that these measures are developed and put in place. That is our commitment.

In the meantime, we should not forget that the new EI system introduced in 1996 and subsequently improved remains effective, equitable and responsible. The hours based eligibility system provides access to benefits to people who were not previously covered, including some seasonal workers and part time workers.

The first dollar coverage introduced by EI has removed the incentive for employers to limit part time work in order to avoid paying premiums. The changes contemplated in Bill C-2 will improve the plan even further, helping to ensure fairness and to serve the interests of Canadians in the labour market.

• (1210)

The EI reforms of 1996 represented the most fundamental restructuring of the unemployment insurance scheme in 25 years. While debating the proposed areas of adjustment, we should bear in mind that the core elements of EI are being maintained because they work. I want to stress that. Why throw something out when we know it works? That does not mean that the program is fixed in amber.

The government will continue to monitor and assess employment insurance and make changes if it becomes apparent. It is just being flexible and that is what the government has always been all about.

**Mr. Rick Casson (Lethbridge, Canadian Alliance):** Madam Speaker, this is my first opportunity to rise in the House since the House resumed sitting. I would like to congratulate you on your position and certainly the other Speakers. I also would like to thank the people back home who worked so hard to send me back here.

I suppose that is what we are talking about, the people who worked so hard to send us to represent them in the House of Commons, yet we are now debating Bill C-2 under the restraints of closure.

Before the motion on closure was brought in on the bill this morning, another motion was brought to us, as members of parliament, to accept a committee report without debate. We find that wrong. It does not give us the proper opportunity to represent our constituents' wishes.

People who believe in us have worked hard to send us here. They support our beliefs and principles. We are all here for that reason. However, we may have different ideas and philosophies on how those things should be done. They support what we believe in and they send us here to project and support their beliefs and our beliefs.

It is with a great deal of distress that we continue to have the motions of closure. This is the 69th time since 1993 that the government has used closure. It is wrong because it limits the opportunity of members of parliament, duly elected to represent their constituents, to voice their opinions.

The member for Fraser Valley, the House leader for the opposition, in his question of privilege really brought a lot of these points to bear. We need to change things in the House somewhat so we can better reflect the concerns of the people who elected us. To a certain degree, the actions of closure really put us in a position of not being able to do that.

After we complete debate Bill C-2 in the House today, it will go to committee when the committees are struck. I think Canadians need to know that the committees are all weighted in favour of the government as well.

Regarding the report that was tabled this morning from a committee, the government used its majority on that committee to defeat a motion that would have allowed committee members to elect a chairman of the committee by secret ballot. It is a small thing but it would mean a great deal to put some credibility at the committee level. However, it was voted down by the government's majority.

When we finish with the bill at this stage, it will go to committee. Will the government allow meaningful debate at the committee level? Will it take meaningful suggestions? Will it allow amendments? Will it just use its power again as majority at the committee level to override anything that comes through?

We have seen it before. I sat through the committee process on the discussions of the Canadian Environmental Protection Act. There were many amendments and hours and hours of meetings. In the end the government brought in its members who were used as voting machines. They were completely unaware of what the issues were. They were completely unaware of the debate that had taken place. They were completely unaware of the amendments that they would be voting on. They were nodded at when it was time for them to stand and vote. That is wrong.

People who are making these decisions should at least be aware of the issues. To see members whipped into line, to come to committee and vote on a policy that they have no idea about is wrong.

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• (1215)

With regard to these issues of closure, parliamentary reform, the whole idea of committee involvement, and bringing back some responsibility to us as members of the House of Commons, it is not only our party, the official opposition, that is pushing them. It is everyone. People in all roles, on the front bench, on the back bench and on the government side, have passed comments on our ineffectiveness as parliamentarians, on how our ability to cause change has been eroded. It is not a single party issue but an issue for all parties.

The Leader of the Opposition has stated that Canadians are justly proud of our heritage of responsible government, but our parliamentary democracy is not all that it should be. Too much power is exercised by the Prime Minister instead of being shared by our elected representatives. That really gets to the crux of the matter. An excess of party discipline stifles open discussion and debate, and grassroots citizens and community groups feel that their opinions are not being respected or heard.

That gets to the real point of the discussion today. What we are hearing from our constituents is not coming up through us and getting to the House because debate is being limited and committees are being structured in such a way that meaningful change cannot happen.

The member for Toronto—Danforth, a member for whom I have a lot of respect, hosted an event in Toronto last year to support farmers from across the country. I respect him for doing that. To do that in downtown Toronto and to have it come off as such a success was a good thing. It brought some attention to the issue at hand. Not much change has happened since then, but I appreciate what he did there. He has stated that parliament does not work, that it is broken, that it is like a car motor that is working on two cylinders.

Let us fire up the rest of those cylinders. Let us make this parliament work effectively and strongly. Let us put all the horsepower behind it that we can. Let us give ourselves as members of parliament the right and the ability to voice our opinions.

The Liberal member for Lac-Saint-Louis, formerly a Quebec cabinet minister, is another person I sat with on the environment committee and is somebody for whom I have a great deal of respect. He stated that being on the backbench they are typecast as if they are all stupid and are just supposed to be voting machines.

Recent statements made by the Prime Minister while in China indicate that this is how he feels about his own backbenchers, never mind other members of the House. He feels that they are voting machines, that they will stand and be counted whenever he tells them to.

Progressive Conservative Party members have not been left out of this. They put forward in their last election platform that we must reassert the power of the individual member of parliament to

effectively represent the interests of constituents and play a meaningful role in the development of public policy.

We have to bring back into the House and into the hands of the democratically elected members of parliament the ability to effect policy. We cannot leave it entirely in the hands of bureaucrats. I know the bureaucrats have a function, but certainly their function should be to support what members of parliament want and what they are putting forward.

The NDP House leader has been a champion of parliamentary reform. He takes every opportunity to bring up the subject and have it debated. Even today, in response to the question of privilege by the official opposition House leader, he again brought up point after point with regard to what needs to be done to bring back some power to MPs.

Here is a quote from the front row, from the finance minister. He finished a statement by saying that MPs must have the opportunity to truly represent both their conscience and their constituents. I like that statement because it pretty much comes out of one of the policies and principles of this party, which is that we vote as our constituents wish and we vote our conscience.

The idea that we cannot do that is hard for people to believe. Let us look at the alienation in parts of the country where people feel they are not being brought into the mix, into the debate. They feel powerless. There are simple things that could be done to bring back the feeling people need to have, which is that they are part of the process and when they cast their votes it means something.

• (1220)

The fact that the number of people voting in federal elections in Canada is dropping is a crime in itself. Why are people not engaged in the debate? Why do they not feel that their votes count for something? We have seen in the United States how much every vote does count. I think it is a fact that Canadians feel that whatever the average guy on the street says or wants does not make any difference.

Why would anyone elected to serve their constituents not back changes to make the House more relevant? We need free votes in the House of Commons. As members of parliament, we must have the ability to vote as our constituents wish us to. I wish I had more time to speak. There are so many things we could do, but when we are debating Bill C-2, amendments to the Employment Insurance Act, under a motion for closure, it just emphasizes what is wrong with our system.

**Mr. Lynn Myers (Waterloo—Wellington, Lib.):** Madam Speaker, I very much appreciate the time to talk about these very important EI changes before us today and about the certainly very concrete steps that the Government of Canada, this side of the House, is proposing in this very important area.

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Before I do, I want to somewhat address the crocodile tears we hear from the members opposite when it comes to closure or time allocation. Especially galling, I think, are the reformed Alliance people. It was not so long ago that the Leader of the Opposition was a member of the Alberta cabinet and the Alberta government. When the government sat, which is, as we know, very rare in Alberta, he brought in time allocation and closure on all kinds of measures, including the restricting of seniors, the shutting down of kindergartens, and of course the infamous bill 11. So this is really hard to take, from the people opposite especially, who say one thing and propose to do quite another. If anyone is the king of closure when it comes to those matters, it is the Leader of the Opposition.

However, that is typical. I listened intently to the member who spoke before me. I recall that in 1993 and again in 1997 a Reform Party member of parliament took a poll of his constituents on gun control. Guess what he found out? He found out that his constituents actually liked what the Government of Canada was proposing on gun control. Did he vote accordingly? No, of course he did not, so again it was “say one thing and do another”.

I could go on: Stornoway; the use of cars; the member for Edmonton North, her pension and the pigs on the lawn; the member for Medicine Hat and his pension; paying Jim Hart \$50,000 to give up his seat. I could go on about the \$800,000. Oh, we are so fiscally responsible, says he, yet he is so willing to spend \$800,000 when it comes to taxpayers' money.

It becomes a little galling after a while to have to listen to those reformed Alliance people opposite who are so good in their overzealous way of saying one thing and doing another. The holier-than-thous rise up in unison, it would appear, to try to condemn a government that actually is operating in the best interests of all Canadians, is doing the right thing when it comes to EI reforms and is adjusting accordingly.

Why? Having done what we did in terms of the EI adjustments and having listened to the people—which is actually what good government should do and then readjust accordingly—readjusting is exactly what we are doing with Bill C-2 today. We are moving expeditiously.

Why are we doing this? We are doing it because we need to make the adjustments necessary and do so in a retroactive way that will enable the workers and those who will benefit as a result of the changes we are proposing to benefit in a manner consistent with the values of this great country. That is precisely what we are doing.

It becomes crystal clear, then, at least to me and the members on this side of the House, that fundamental elements of the reform package such as the hours based system and the first dollar coverage are working well. However, there are some elements that need adjustment and fine tuning to ensure effectiveness and fairness in the system.

• (1225)

Over the past number of years since this government took office after the Tories opposite, who left this country bankrupt and in a mess, we have known that because of good governance, fiscal prudence and wise decisions we have brought back prosperity to Canada. In fact, with regard to unemployment we are now nationally at 6.8%. All I can say is that this is enormously good news for Canada and for all Canadians. It is the lowest level in a quarter of a century.

However, as we know, there are still pockets across this great country where unemployment remains in double digits. Those are the areas we need to address, because after all, we want all Canadians to share in this new prosperity, and when those who are not sharing in it need help, it is the Canadian way to assist people who require that assistance. I am thinking, for example, of forestry workers on the west coast. I am thinking about construction workers in Ontario and fishers in the maritime provinces. These hardworking Canadians often struggle, but they are the backbone of their communities and, by extension, they are the backbone of Canada. These are the people we are reaching out to help. That is precisely what I believe Canadians expect us to do.

We need to act swiftly and we are doing that today. We have had hours of debate. We have had a number of days on this. It is now time to act and move on. That is why time allocation is here today. We want to proceed, and we want to proceed with expedition to ensure that the few elements of our reforms that need to be adjusted will be adjusted, such as the intensity rule and the clawback provision. In doing that, the program needs to respond, then, to the realities facing countless communities across Canada that depend on seasonal industries. Many offer limited options for working off season. In these many communities, I am afraid that the intensity rule has proved ineffective in reducing dependency and is viewed as simply punitive. That is why we are doing what we are doing today to correct that.

As members may know, a person's EI benefit rate is reduced by one percentage point for every 20 weeks of regular or fishing benefits he or she has collected in the previous five years. Depending on the numbers of weeks of benefits paid in previous years, a person's benefit rate would drop from the usual 55% to 54%, then to 53%, and down eventually, as we know, to 50%.

Our goal is simple. It is to reduce reliance on EI, but—and this is a big but—our analysis that we have done in this all-important area shows that in practice the rule does not curtail frequent EI use, particularly in areas where there are few job opportunities.

In short, there is growing concern that the intensity rule acts only as a penalty. That is unacceptable, so we want to eliminate that rule, and effective and actually retroactive to October 1, 2000, we propose, then, that the basic benefit rate be restored to 55% for everyone. I think that is a good move. Certainly my constituents in Waterloo—Wellington agree with that.



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This does not mean that we will accept the high unemployment found in these regions. EI is only part of the solution. Certainly we should think about it and think about it hard and long. There is a growing need for everyone, governments, businesses, communities and individual Canadians, to work in partnership to stimulate local economies and make the economy work for everyone, especially people who might not otherwise get the chance.

We need to work together, then, to create sustainable employment opportunities for everyone. For example, I want to point out that the Atlantic investment partnership is a \$700 million initiative aimed at helping Atlantic Canada generate jobs and growth in the new economy. I remember with dismay when people from the reformed Alliance made the kinds of comments they did about Atlantic Canadians. What was it again? They called them lazy and indolent. What an insult. I want to point out right here and now what an insult that was, not only to Atlantic Canadians but to all Canadians. That is how those people opposite think. They think in those biased, stereotyped terms.

• (1230)

Thank goodness that we on the government side do not think like those people with a dinosaur, Jurassic Park mentality, but let us move on to the positive. The positive is quite simply what our government is doing to ensure that we help people no matter where they are: east, west, north or south. We are ensuring that they get on with the business at hand and that they have good economic bases for themselves and their families.

I will borrow a line from Gilbert Dumont, president of the local Charlevoix committee on EI. He said that we must find permanent solutions to employment in our regions. He is absolutely correct. We on the government side are trying to ensure that is precisely what happens.

That is why our government is forging strong partnerships with businesses and communities to create new opportunities that reward work and people in that sense. We need to provide more Canadians with the tools and opportunities they need to support their families and earn a good living.

In conclusion, employment insurance is a tremendously important social program for Canadians. It is well regarded and well respected. From time to time we have to fine tune it to ensure that it works effectively and efficiently, but it is a program that Canadians cherish. We on the government side will continue to ensure that it is in place for all Canadians wherever they live in our great country.

[*Translation*]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Madam Speaker, we are all here in this House to represent the

people in our respective ridings. I am sure my problems in this House are far from over.

Throughout the entire election campaign triggered by the Prime Minister, I have heard colleagues admit openly that a mistake had been made with the Employment Insurance Act. The reform of 1996 was a mistake for all the workers of Canada, the workers of Quebec in particular. This reform has only given the government the opportunity to make profit at the expense of the workers.

A while ago, I heard a member across the way telling us this was a social program. Employment insurance is not a social program, it is insurance, one paid into every week by workers from their paycheques, in order to be covered if they run into difficulty.

During the campaign, we saw this government exhibit a flagrant lack of humanity. With the holidays close at hand, the leader of the Bloc Québécois wrote to the leaders of all the other parties asking that the House sit December 19 in order to try to settle the employment insurance problem.

That lack of humanity became evident when the only leader to refuse to come to the House to discuss the employment insurance problem was the leader of the Liberal Party. Since we would have come to this House to settle one single question, we would have had time to debate and resolve this issue of employment insurance that is so important to all Quebecers and Canadians.

The government, through the leader of the Liberal Party, refused to take part in this important debate sought by the leader of the Bloc Québécois.

The position of the Bloc Québécois on employment insurance has remained unchanged. The debate must be held in two parts, so that the pressing discussions on the applicability of the program may be held and a decision on the use of the \$32 billion surplus amassed by the Government of Canada on the backs of workers may then be reached.

What will the government do with this surplus, which is growing by \$6 billion a year? Bill C-2 promises a return to workers of no more than 8% of the surplus accumulated annually.

So there is a big problem. The government has again refused to listen to the Bloc Québécois and to split this debate and this bill so we may debate a separate bill dealing only with the \$32 billion surplus and have another bill that would deal only with pressing matters.

My riding of Argenteuil—Papineau—Mirabel faces significant employment problems. Over the summer, the rate of unemployment was around 8% to 8.5%. With the arrival of winter, the rate goes up. At the moment, the rate of unemployment is around 14%.

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• (1235)

Employment is primarily in forestry, agriculture and tourism. Obviously, with the announcement of large investments in Mirabel for the foreign trade zone, major industry is making an appearance in our riding. This, by the way, is the work of the government of Quebec, through its finance minister.

No federal money was invested in the foreign trade zone. These are all tax credits and investment credits from the Government of Quebec. Once again the federal government has done nothing. But let us get back to the topic at hand, the EI bill.

Members have understood that the major amendments sought by the Bloc Québécois are still relevant and deserve more attention than the limited speaking time we are getting today, because the government has decided to shut down debate. We are still left with the infamous waiting period. Bill C-2 still contains the two week waiting period.

People in the street call this a penalty. Workers are made to wait two weeks. This is a penalty. Everywhere we go, people tell us they have to wait out their two-week penalty. With a \$32 billion surplus in the fund, is it not time to reconsider this waiting period, this penalty applied to workers when the fund in fact belongs to them?

Is there not some way for associations of workers in Quebec and in Canada to sit down around a table and say "Listen, now that there is a surplus in the fund, it is time to reconsider this waiting period, this penalty applied to workers"?

Yesterday there was a major fire in my riding that left some forty employees all but out in the street with only employment insurance to turn to. They will have to wait out the two-week penalty period because their place of work went up in flames yesterday.

It is unbelievable in a modern society, with surpluses of \$32 billion in the employment insurance fund, that workers who are out of work because their plant burned down would be penalized and have to wait two weeks. It is high time we review this two week waiting period.

Why will the government not do so? For the simple reason that this two week waiting period will allow it to increase its surpluses in the employment insurance fund. We were protected until today. The \$32 billion remained in the government's virtual surpluses. That money was not touched. Now, with Bill C-2, the government will appropriate the \$32 billion from the employment insurance fund.

It will be able to use the money saved because of this two week waiting period imposed on Quebec and Canadian workers, who

work hard to earn a living. The government will be able to take that money and invest it in businesses. Members should look at what has been going on in recent months with investments in the Prime Minister's riding. The workers' money will be used to reward friends of the Liberal Party.

This situation is unacceptable. It must stop. Workers in Quebec and Canada must finally be allowed to take advantage of employment insurance surpluses that belong to them. These workers need a true program that reflects their needs in our modern society, as the Prime Minister says.

It is time Canadian and particularly Quebec workers have access to that money and have a program that reflects their needs, so that they can finally benefit, in difficult times, from a true insurance program that they have funded themselves. No one in the House should ever again say that this is a social program. It is not a social program. It is insurance that belongs to the workers in Quebec and Canada.

[English]

**Mr. Bill Matthews (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Inter-governmental Affairs, Lib.):** Mr. Speaker, it is my pleasure today to say a few words on the debate amending the Employment Insurance Act. I have listened intently to colleagues from both sides of the House and their serious discussion and comments pertaining to what is a very important issue for most members of the House of Commons.

• (1240)

I represent a very rural riding on the south coast of Newfoundland and Labrador where people through no fault of their own find themselves working seasonally. As someone said to me not too long ago, it is not the workers that are seasonal. It is the nature of the business they work in that is seasonal, whether it is forestry, logging or the construction industry, which is dictated by the abilities of government to fund road construction or climatic conditions such as winter conditions that prevent construction from taking place.

In my area of the country it has been dictated by the mismanagement of fish stocks around our coast. People who once worked for 12 months a year now find themselves working for much reduced periods of time. The length of employment the people I represent now enjoy has been decided in large measure by actions of successive federal governments.

We brought our resources into Confederation. The Government of Canada was supposed to be the custodian of our resources for



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our people. We have found that the situation has not quite worked out, for we find ourselves in some very difficult circumstances.

The people who I represent along the south coast of Newfoundland and Labrador always worked for 12 months a year. They did not know what vacations were. Our fish resources were so abundant that our people harvested and brought the fish to shore where our plant workers processed the fish in the processing plants. Then there was a collapse in our groundfish industry and as a consequence the duration of employment was significantly reduced.

As I travel around the coast it is quite sad to see what has happened to very proud people who knew nothing other than 12 months of work and through no fault of their own now work in a very seasonal industry, the fishery of Newfoundland and Labrador.

The bill was introduced last fall. Debate had begun. Then we went into a general election. Obviously Canadians gave the government a very clear mandate to proceed in the direction we were going in, which is the direction we are continuing today. That is why we reintroduced the bill.

The changes in the bill will certainly improve our ability to address the original goals of employment insurance reform that were introduced before the election. One very important amendment we see coming forward today is the elimination of the intensity rule.

I have met on many occasions with representatives of fisheries unions, logging unions and construction workers all along the coast of Newfoundland and Labrador. One thing they can never understand, and I never understood it as well, is how the intensity rule ever got passed into law. We have been penalizing people through no fault of their own because they happen to live in regions of the country where they are unable to find full time employment.

The intensity rule has penalized them each time they were laid off and went to reopen an EI claim. The dreaded intensity rule reduced their employment insurance benefits by 1%. They went from 55% down to 51%, where most of them are right now. If it had continued they would have bottomed out at 50%. They would never have gone back up to the 55% benefit rate if these amendments have not been introduced in the House. I strongly support the elimination of the intensity rule because it has penalized people in all regions who could least afford such penalization.

What really was ironic and brought it home to me was that the Government of Canada was the custodian of our fish resources from coast to coast to coast. We make decisions about how much fish we can catch and the technologies that can be used in harvesting fish. All management decisions about fish resources are made by the Government of Canada, and successive federal governments have mismanaged our fish resources. That is why our groundfish stocks collapsed and our people were put out of work.

• (1245)

How ironic it was to see the very people who were put out of work because of government mismanagement and a decline in fish stocks being penalized each time they re-opened an EI claim, and through no fault of their own, by the government that was supposed to be managing those resources on their behalf.

I am absolutely delighted today to see that we are going to eliminate the intensity rule and re-establish the benefit rate to 55%. Those of us who have followed EI reform for the last six or seven years know full well that not too long ago the benefit rate was much higher than 55%. Even with re-establishing it at 55%, people are still receiving significantly less in EI benefits than they were five or six years ago and are still bringing home far less through no fault of their own.

As well, I am very pleased that we are going to see the removal of the benefit repayment clawback. It will be raised to \$48,750. This is very important as well to a lot of people because at the \$39,000 cap many people were clawed back when they filed their income tax return. Raising that cap is a very good move.

The other encouraging thing is that the measure will apply to the 2000 taxation year and those people who are filing income tax returns about now will benefit for that year.

Representing a very rural riding in Newfoundland and Labrador, I am very pleased as well to see that there will be an adjustment to the fishing regulations pertaining to special benefits to ensure that self-employed fishers can take advantage of the recently improved maternity, parental and sickness benefits. Again, this measure will be effective retroactive to December 31, 2000.

These amendments are very positive and are amendments that I strongly support. I lobbied and worked hard within the Atlantic Liberal caucus and the national caucus to bring about those changes because I believed they were needed. It has been a key undertaking of mine to bring about changes. Even though the government, back in 1996, said it would monitor, assess and evaluate the employment insurance reforms that were brought in, and we had done that, I felt that three or four of those measures were very necessary to make the system fair. Those measures included taking away the penalties that were being imposed on people who were involved in seasonal work through no fault of their own. I am delighted that we are making those amendments.

Having said that, and realizing that my time is about up, I just want to say that even with those changes and amendments, there are other areas of the Employment Insurance Act that, in my view, still need to be reviewed, such as changes to the divisor factor and some other things. We are making some very important changes with those amendments, but other important amendments and changes are needed.

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**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Speaker, I am happy to take part in the debate today. The member who just spoke talked about the need for seasonal workers to be covered. I note that in Bill C-2 there has been a longstanding problem where farmers, for example, who work off the farm have always had to pay into the employment insurance fund but have never been able to qualify. That is seasonal work too. It should be one way or the other. If they cannot qualify, they should not have to pay into it. That is a needed reform that has bugged me and a lot of people in agriculture for a long time.

I want to ask why it is so important today to rush the bill through the House by using time allocation. This is a leftover from the last parliament. In fact, it probably was created as a result of the Liberals losing a number of seats in the Atlantic provinces in 1997. I think the member who just spoke would agree with that. He is one who moved over to the Liberal Party as a result of those changes, so it was politically motivated I suspect.

• (1250)

It seems to me that if the bill was so important when it was introduced last year, why did the government not see it through at that time? The question of how important it was did not seem to deter the Prime Minister when he called an early election after only three and a half years. It was left to die on the order paper along with a number of other bills that the government had as its priorities.

Why was parliament not continued on at that time and allowed to have the kind of debate we needed to properly debate this bill? No, we had to have time allocation again today. I have been in the House since 1993 and I think it is the 69th time that the Liberal government has used time allocation on these types of bills.

The part that bothers me more than anything is this: what is so heavy on the government's agenda that it would force us to move this quickly on Bill C-2? There is a total of eight bills that have been introduced so far, hardly a heavy legislative agenda from my point of view. It is the first bill that was introduced by the Liberals this session and they are using time allocation to ram it through parliament. What kind of signal are they sending to the Canadian public?

Why did they call an election so early? Why did they not have it as a priority to continue on and resolve this last fall, instead of having to go to an election which caused the House to be dissolved? In fact, they were not in that much of a hurry to come back in January. If it was that important why did they not call the House back in January to get right at it? No, they did not do that.

Now we have this ludicrous situation where the Liberals have now exceeded Brian Mulroney's terrible record in terms of time

allocation on bills. I noticed that they managed to be very critical of that when they were on the other side of the House. They said it was an affront to democracy. The Liberals have passed Mr. Mulroney's record in roughly the same amount of time. They are going to continue to use that as a club in the House of Commons.

This is not the first time it has affected me, either. On October 20, 1999, I spoke about time allocation and how it affected my ability and other members' ability to speak on the one of the bills in the industry category, Bill C-6, the privacy bill. I had just been appointed the industry critic for our party. I have the *Hansard* here. It was another bill the Liberals seem to have been in trouble with. They had not consulted the provinces to any great length. The Senate had to bail them out in terms of a lot of amendments that came through to pick up the bill and make it better. I give the Senate credit for doing that.

Yesterday Senator Grafstein was very critical of the House of Commons for running bills through this place without proper debate and proper consideration, in a hurried manner, and therefore leaving the Senate to clean them up. I suggest that this is one of those kinds of bills. Why the hurry? Why can we not have the proper debate in the House? It does not make any sense. This is the place to debate. I know a lot of our members would like to speak on it and are not being allowed to.

This is an old tactic. I was restricted in October 1999. I said at the time that it was the 65th time they had used time allocation. We are now up to 69. The clock is ticking. I am not sure why the Liberals have to do this, but they seem like they want to poke the finger in the eye of those people who want proper debate in the House of Commons. It does not make any sense.

We have the Canada employment insurance program. The government seems to think that it can put in a program that can substitute for a job. That is wrong. Thirty years ago it was an insurance program and the government has moved it away from being that. We would like to make changes to that and have the employers and the employees administer this program. However, that is not the case. In fact, I read in my notes that in Bill C-2 the Liberals even want to change some of the aspect of consultation and advice provided by the Employment Insurance Commission. Its advisory capacity is being taken away. It seems like the Liberals want to control this.

• (1255)

The government had a \$35 billion surplus in the EI fund. The people who watch this said that we probably need \$10 billion to \$15 billion to be prudent. The fund is roughly \$20 billion over those amounts. What is the government doing with the fund? It goes into general revenue and gives the Liberals a chance to play with the hard-earned money which has been taken off the paycheques of employees. It also affects employers as well.

Canadians would be far better served if that amount were lowered to a prudent calculation, roughly \$10 billion to \$15 billion, to stop the payroll taxes on hardworking Canadians. The finance minister said that in 1994. When he needed more money to play with, suddenly it was not a payroll tax anymore. That is really what it is.

Some people would argue that the government has balanced its books on the backs of employees and employers who contribute to the fund. There is some justification for that and it needs to be reviewed.

There is no substitute in Canada for real employment. The employment insurance program that the government has been tinkering with will not do it. It has to get the fundamentals right and get taxes down, including payroll taxes, personal taxes and corporate taxes. We see the United States moving in that direction. Canada has not caught up from the last round in terms of corporate and personal income tax. We are at a real disadvantage. Our employers and companies are at a real disadvantage if we compare them to those in the United States.

Twenty years ago the productivity of Canada and the United States was almost exactly the same. What has happened in twenty years? The United States is still number one in terms of productivity. Where is Canada today? Canada is ranked 13th in the industrial world.

It is no coincidence that these things have happened. They have happened because of thirty years of mismanagement by the government across the way, a big interventionist government and growing government programs, programs which were financed with deficit financing. Increasing deficits require payments to pay off the interest on the huge national debt.

Canada is faced with a 30 year decline in our dollar. We have a 30 year decline in direct foreign investment in Canada. Even Canadians are looking outside our country for a place to invest because they cannot get the kind of return on investments they need. The EI fund is one of the funds responsible for this.

Up until 30 years ago, when Canada made those changes, Canadian and American unemployment rates could be charted. They were basically the same year in and year out, in good times or bad. Canada had a divergence in that 30 year period and we are roughly 3% to 4% higher than the United States all the time.

There need to be reforms. There needs to be proper debate in the House. I am very concerned that the government is moving so early in this new parliament to cut off debate on such very important issues. It should be chastized for doing that and should not follow that course of action in the future. Members across the way should be ashamed to support that kind of government intervention.

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[Translation]

**Mr. Ghislain Fournier (Manicouagan, BQ):** Mr. Speaker, first of all, I would like to thank my fellow citizens of Manicouagan for showing their confidence in the Bloc Québécois for the third time in a row.

Personally, this is my second mandate, and they almost tripled my majority. What a vote of confidence, and I thank them for that. The local press described my win as a landslide victory, since I obtained 54% of the votes, compared to the 28.5%—or to be generous 29%—of my closest opponent, a Liberal.

Today I am, of course, pleased to rise to speak on Bill C-2, an act to amend the Employment Insurance Act and the Employment Insurance (Fishing) Regulations. This is a debate that goes back to the January 1997 reform of the employment insurance program.

• (1300)

That reform was supposed to have been in response to the expectations of the public and the realities of the labour market. Predictably, it has had the opposite effect.

Bill C-2 comes nowhere near responding to the expectations of the unemployed and of the workers. With it, the government is only providing a very incomplete correction to the problems caused by its past reforms. It is not addressing the real problems, and the amendments proposed are highly inadequate.

First of all, the matter of eligibility has not yet been settled. What the government is doing with its employment insurance bill is simply legalizing the diversion of \$30 billion from the employment insurance fund. This money clearly belongs to the workers, the unemployed and the employers who have contributed to employment insurance.

Legalizing this diversion of \$30 billion is as if the government took \$100 from a worker's pocket and then gave him only \$8 back.

Taking the surplus in the employment insurance fund, which came from the pockets of workers, without their permission fits the dictionary definition of theft. This morning I checked the *Petit Robert* for the French definition of *voler*, and it translates stealing as "taking something that does not belong to us". This is disgraceful.

**Hon. Denis Coderre:** Oh, oh, bad language.

**The Deputy Speaker:** Order, please. I would ask the hon. member to be a little more judicious in the choice of his words. I do not want to contradict the definition given by one dictionary or

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another, but there are certain expressions that are never appropriate to the fine traditions of this parliament, including the word “theft”.

**Mr. Ghislain Fournier:** Mr. Speaker, once again, I did not say it. It was in the dictionary, but I will of course respect your recommendation.

I was saying that it is shameful to see the government taking money from society’s most disadvantaged, men and women who have lost their jobs, who are vulnerable and who sometimes have no means to defend themselves. It is all the more shameful to see the government boasting in the throne speech that it is ensuring all children are protected from poverty.

Worse yet, in another paragraph, there is the following:

There was a time when losing a job also meant immediate loss of income for workers and their families. And so Canadians created employment insurance.

This government is ignoring the demands by social groups opposing the legalization of this misappropriation of \$38 billion dollars from employment insurance, which is now \$30 billion.

Clearly, employment insurance has become a payroll tax. The government is refusing to give the unemployed and workers what is coming to them and continuing to accumulate surpluses on their backs. It has no concern for their welfare. They are left behind by this employment insurance reform.

The measures in the bill will not solve the problems caused by the system, including those of seasonal workers in the regions, especially young people, women and all workers in general.

The Bloc Québécois opposes Bill C-2 in its present form. The Bloc Québécois is proposing a favourable and constructive approach, because it feels that it is essential to respond as quickly as possible to the real needs of unemployed workers. This is why it is calling for two bills.

The first bill would deal with urgent needs. This is what the Bloc Québécois would propose: abolition of the intensity rule, of course; abolition of the discriminatory practice of taxing back the benefits of frequent claimants; an increase in insurable earnings from 55% to 60%, so that unemployed workers could have a decent income; abolition of the clause that discriminates against new entrants in the workforce, especially young people and women; and, finally, abolition of the waiting period.

● (1305)

The second bill would concentrate on long term amendments to be discussed in committee, such as the creation of an independent EI fund.

Before the election was called in the fall, the government introduced the same bill, giving the Liberals full control over the EI

fund. At the end of 1999, the surplus in the EI fund stood at approximately \$30 billion. Since 1994-95, the Liberals have helped themselves to more than \$38 billion in this fund. Hence the importance of creating an independent fund.

This bill does not meet the essential demands of the Bloc Québécois. The government does not go far enough to improve the system and put a stop to the discriminatory criteria. The government broke its election promises when Bill C-44 was introduced before the election campaign. People said that bill did not go far enough. During the election campaign, the Prime Minister himself admitted that his government had made mistakes. He said “It is true that we made major mistakes in that bill”. The Secretary of State for Amateur Sport personally pledged to make changes to the Employment Insurance Act.

For example, on November 9, 2000, the daily *Le Soleil* reported that the secretary of state had said that “Following the election of a majority Liberal government we will restore the process and ensure that the changes are appropriate and that they adequately reflect the realities and needs of the people of the Saguenay—Lac-Saint-Jean region and of all Quebecers and Canadians. I am committed to making changes to the act and we will make changes”.

The Secretary of State for Amateur Sport came to my riding because workers from the FTQ, the steelworkers union, and the CSN had planned a protest. He came to ask them not to protest, because he would personally make sure that changes would be made. This is a disgrace.

Where is the Secretary of State for Amateur Sport and what is he doing? Absolutely nothing at this point. We do not hear him and we did not hear him during the debate on this bill. Now that the election has been held, we find ourselves with the same bill as before and the issue is still not settled. This attitude is unacceptable. We can no longer hope that politicians will be taken seriously when they display the attitude I just described. This is no longer what we call democracy. It is misleading the public. People expect more than mere election promises. They expect significant and concrete corrective measures.

Under the current plan, higher income earners, for example those engaged in seasonal work, particularly in the construction sector, have to pay money back when they file their income tax returns, if they have earned more, under the employment insurance reform.

Over the past five or six years, employment insurance has been the single most important factor influencing poverty in Quebec and in Canada. As I said earlier, the government claims to want to protect poor children. If there are children living in poverty, it is because there are parents living in poverty. The government has not done anything to reduce poverty in this country. Therefore, the Bloc Québécois will oppose Bill C-2.



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• (1310)

[*English*]

**Mr. David Chatters (Athabasca, Canadian Alliance):** Mr. Speaker, I am pleased to join in the debate today on Bill C-2. Before I get into the bill, I would like to take the opportunity, this being my first time to speak in the new parliament, to thank my constituents of Athabasca for returning me to the House of Commons for the third time.

It certainly was a very emotional, hurtful and difficult election campaign. Some unwarranted accusations flew around both in the national campaign and in the local campaign in my riding. I was very pleased that my constituents saw through that and chose to return me in spite of the rhetoric. I am very humbled to come back and serve them in the House once more.

The debate this morning and the action of the government to invoke closure or time allocation on the bill certainly are disappointing. I came here some seven and a half years ago, perhaps overly idealistic about what parliament was all about, how it worked and how I could serve my country and be part of the institution that makes laws and governs and guides the country.

Certainly after seven years I think most of us, not only on this side of the House but a good number on the other side, share the opinion expressed by my former colleague, Lee Morrison, who served in the House for seven years. In a very blunt article yesterday or the day before in the *National Post*, he expressed total disillusionment and extreme disappointment with the relevancy of the House Commons and how it works.

I do not discount any of the accusations or comments he made, and I think many of my colleagues would agree with them. Perhaps those of us who are here live in the eternal hope that something might change somewhere along the line and we might actually have some reform in this place to make it relevant and give us some real input and influence in the way things happen. I think that would be a huge step forward. However, after the government's actions this morning I would not hold my breath. In spite of what seems to be a desire on all sides for change, it does not seem likely to happen. It could, however, happen easily.

There were accusations from a member of the other place that the quality of legislation being passed in this place was failing or dropping. I am sure the comments made by the member of the other place were self-serving and meant to justify the Senate's very existence, to some degree. On the other hand, there is probably some truth in what he said because over the last seven years this government has continually moved to consolidate power in the hands of the very few at the centre.

The quality of legislation would be better if there were any hope that when a bill entered this place and went through the process, it

would emerge amended and improved. If so, some of the flaws that could show up down the road, pointed out no doubt by the courts, could be corrected before the bill was finished.

However, the government seems to have the attitude that once it introduces a bill it will lose face if an opposition or committee member amends a fundamental part of it. The government feels that would be a loss of face, and it just cannot allow that to happen. The government therefore uses its majority in the House and on committees at every stage, and the bill proceeds through as a matter of principle and of saving face rather than out of a real concern to produce the best possible bill at the end of the process.

• (1315)

There is no reason why the very drafting of the bill or the amendment could not be given to the all party parliamentary committees for input from all parties involved from the very beginning. Perhaps we could lessen the degree of ownership by the government in the bill. Everybody could have somewhat of a stake in the content of the bill, perhaps would be better able to support it, and feel that they are actually having some input and making some changes to the bill.

I am disappointed. It seems it just goes on and nothing ever changes. In spite of an express desire for change across the country, it does not change and I do not expect it ever will change to any great degree.

Bill C-2 is an effort to amend the Employment Insurance Act. The intention of the bill is truly misguided. We went down this road many years ago. I think we were making some progress in reform of employment insurance, which used to be unemployment insurance. Incentives were provided for people to find employment rather than incentives to remain unemployed. The bill seems to be returning to those times, especially in economically depressed regions of the country, when the EI program, or the UI program as it used to be known, was an incentive not to work rather than an incentive to work.

I heard some discussion earlier in the House about whether or not EI had become a social program rather than an insurance program. Clearly this is a move back toward becoming a social program and away from becoming an insurance program. I think that is supported simply by the fact that all kinds of sections or parts of the EI program are inarguably social programs. I am thinking of maternity and parental leave, which has recently become a much larger part of the employment insurance program. It is clearly a social program.

We moved away from that some years back in that employment insurance became harder and harder to obtain. One had to fulfil certain obligations to remain and to receive employment insurance wherever one lived. This is a move back toward seasonal employ-

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ment coverage where people in economically depressed areas with seasonal employment went on the program. They seemed to be able to stay on the program for an extended period of time without actually having to show that they were actively job searching, without having to produce a number of job searches per week. In my view that is a social program because it tides workers over from a season of employment to an unemployment season and back to employment. That to me is not an insurance program.

Another kind of perverse incentive that seems to be inherent is that the ease of getting into the program and receiving employment insurance seems to go up the higher unemployment is in the area. The more depressed the area is, the easier it is to get employment insurance. That does not seem to be very productive.

Communities and industries in my part of Canada are crying out in huge numbers for workers and simply cannot get them. I get a dozen requests a week from companies applying to the foreign workers union to bring workers into Canada because they cannot find local people to work at the jobs. Yet we have this program that pays seasonal workers in parts of Canada to remain unemployed and remain where they are rather than provide some incentive to move to a part of Canada like my part of Canada where there is a need for those workers and where they could be gainfully employed.

• (1320)

There are a lot of other elements of the program that need amending. We need to change direction and go back to what was started some five or six years ago by this government. I hope the government will listen to some suggestions from the opposition and other members in committee so we might make this a better bill.

**Ms. Wendy Lill (Dartmouth, NDP):** Mr. Speaker, I am pleased to address Bill C-2 today and to give the bill my qualified support.

That is not to say that I support the government's draconian tactics of shutting down the debate using closure. Use of closure once again shows that the government has a disregard for the central role of debate in the House and in committees.

While I feel compelled to support the baby steps that the bill takes to reverse the massive damage that the same government did to our unemployment insurance system, I do so reluctantly. I do so because I know it is better for the people in Dartmouth to have a little improvement than none at all.

At the same time, I also feel compelled to point out the basic flaws in the current system which the bill fails to even contemplate.

Bill C-2 fails to deal with the fundamental contradictions of our national employment strategy. We have Canada employment

centres in almost every community in Canada actively promoting self-employment as a way to deal with an increasingly transitional labour force.

At the same time these same Canada employment centres administer an insurance program for unemployed Canadians that is specifically designed to deny all self-employed workers the same benefits their neighbours enjoy if they find themselves unemployed. This is madness. Why should someone become more economically vulnerable because they followed the government's advice to move into self-employment? Why should they put their families at risk because the government has decided that the best way to manage our labour market is to cut people off EI benefits?

Ottawa has been saving billions of dollars through denying people the right to adequate employment protection in the event of unemployment. The calculation of the amount of money lost to my community alone has been at least \$20 million per year simply because of the restrictions this government has put in place. It has limited the amount of payouts claimants can receive and has reduced the number of persons eligible for benefits.

I reluctantly support the bill because some of these restrictions are being removed and my community needs the money, but the bill does nothing to address the fundamental problems with our employment insurance system.

It does nothing, for example, to address the fact that artists are currently unable to qualify for employment insurance. Our government considers artists self-employed, a fact that many would dearly love to change, and they are therefore denied maternity benefits and sickness benefits under EI. They are also denied the ability to participate in the Canada pension plan.

Does the government honestly believe that artists or others who are self-employed never have children, never get sick or never develop a disability? It is a tribute to our artists that they have been willing to make such a sacrifice for their art, but surely it is not a necessary part of our public policy or, if it is, I want the government to stand in this place and say so.

We also have no serious industrial plan to allow for the smooth transition for workers who lose their jobs in a certain occupation to go into another related occupation. Instead, they are told to become entrepreneurs, ineligible for EI, and it is often an unsuitable match for both.

I think of the situation of the more than 100 workers who are being laid off at the Dartmouth marine slips. These workers have worked for years repairing ships. They have exhausted their reduced EI benefits and are now facing welfare. They want to work in the supply bases for the Sable gas fields. While they are receiving co-operation from the local HRDC office, it is clear that



there is nothing in our employment insurance system which connects the dots that they see so clearly.

One dot is an industry closing. Another dot is a related industry opening in the same area. Why can we not just move these workers to the new industry and give their families some security?

However, this is not something our system allows for. Instead we have a government basking in over \$30 billion of employment insurance surplus while still leaving thousands of workers, even after Bill C-2, with no benefits.

• (1325)

Even worse is the insistence by large corporations and the official opposition that the action they would like to see is not giving unemployed people adequate benefits for which they have already paid or not extending the program to others who need it. Instead they call for slashing the costs to companies for EI premiums while maintaining our currently restrictive system. More money for businesses and less for the unemployed is the business agenda of this social program.

I hope the government will start to use our employment insurance system to address the problems of working families. It is time that the government begins to address the obstacles facing the unemployed, artists, Canadians with disabilities, and thousands of Canadians who find themselves between jobs through no fault of their own and need the assistance from a fair and equitable employment insurance program.

[*Translation*]

**Mr. Marcel Gagnon (Champlain, BQ):** Mr. Speaker, during the recent election campaign, there was so much talk of amending the Employment Insurance Act that I thought that a bill would be introduced as early as possible in this parliament and that there would also be an early opportunity for the House to debate it.

There is no denying that the government members spoke about it everywhere. The Liberals tried to win votes with this bill and I think that they succeeded in doing so with their promise to amend the legislation to make it fairer and more acceptable to workers.

The Prime Minister himself admitted that some mistakes had been made in the Employment Insurance Act and he promised to do something about them. My colleagues mentioned that other ministers had visited the various regions in Quebec and said the same thing.

Does this mean that there really are two different tunes: the one during the election campaign cleverly designed to bring in votes, and the other when the rubber hits the road? In this parliament, where decisions are made that affect the lives of all Canadians and Quebecers, the Liberals have decided that what they said during the election campaign no longer holds.

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I think that many voters in my riding did not believe the promises they were hearing. But they hoped. I am thinking of the La Tuque area in Haute-Mauricie. It is a tourist region. It depends on forestry. Employment there is naturally fairly seasonal. These people deserve help. That is not the proper word, because they are helping themselves. My colleague for Argenteuil—Papineau—Mirabel has just told us that employment insurance is not a social measure, but insurance we pay as workers, provided we are in insurable jobs.

The purpose of paying into insurance is to have protection when needed. We are always at our most vulnerable when we need the protection of insurance. It is always when we are in difficulty.

In my riding, there are workers whose plant has closed down for a time, but they are hoping to get their jobs back. A paper plant has closed temporarily. When are they going to get their jobs back? There is talk of a two week penalty period, of punishing people who are absolutely not at fault. This insurance is a worker's right. It is not the property of the government.

• (1330)

I do not want to get called to order like one of my colleagues for using words that are apparently not to be used in the House. You have already pointed that out to one of my colleagues. I will not say that it is robbery, although I will think so. However, I shall not say so.

The government has a fund containing some \$32 billion to \$38 billion paid into it by workers and employers. I have been a worker and an employer. When, as an employer, I hire someone, the benefits I give in terms of employment insurance, the part the employer pays, is deducted from his pay. It comes out of his hourly wage. So, in fact, employment insurance is paid for 100% by the workers.

When the government decides to take that, to go off with it, to put it in a common fund, in the pot, and at the same time decides to cut the taxes of society's richest, I see it as taking money from the person who needs it, who paid insurance, and giving it to the other, who does not need it or needs it less. In my opinion, if that is not theft, it looks like it.

I promised the workers in my riding during the election and more recently to talk about it in parliament. It cannot be done this way. Even more shameful, in my opinion, is limiting the time to debate it, but I understand them. I understand their wanting not to talk too long about such an unfair law, which makes off with money people have legally paid, to use it for other things. I understand their wanting to get this law through quickly.

**An hon. member:** It is scandalous.

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**Mr. Marcel Gagnon:** I agree that it is scandalous. They were saying earlier "Wait, we can change this law in committee". I am not dreaming in technicolour; I know what was promised and what was put before the House, but we will see whether, in committee, we can change it.

I personally think it will make no sense if this law is not changed to give the workers their due, especially since this parliament, the parliament of Canadians and Quebecers, is the parliament of what the Prime Minister boasts about as one of the fairest countries, particularly in social terms, for society's poorest.

I think it vital we return to order and find a way to give the money back to those who paid it, for the reasons they paid it. It is not up to the government to say "You have paid this money for insurance, but we think you do not need the insurance. So we will take it to lower taxes for the rich".

If you had the misfortune of seeing your house burn down, you would contact your insurer and say "Unfortunately, my house burned down". Then you would learn from your insurer that you are not covered for the first fire, but that you will be paid if your house burns down a second time. This is more or less what the government is saying to workers. A worker who, following a sudden layoff, expects to collect employment insurance benefits to make it through this difficult period is told "No, you are not covered right now; you did not work enough hours".

Now, instead of having to work 300 hours to collect employment insurance benefits, which were the original terms under the insurance plan, a person must have worked 910 hours. Again, this act is unfair. It needs improving. The Bloc Québécois is prepared to co-operate if the government is willing to split this bill in two.

• (1335)

We agree with certain parts of the bill, but other parts absolutely must be changed. I say to workers from my region and from Quebec that we will continue to work hard to improve this act, so that they can get what they are entitled to.

[*English*]

**Mr. Geoff Regan (Halifax West, Lib.):** Mr. Speaker, I am very pleased today to speak to the employment insurance bill. When I was previously here as a member of parliament in my first term, I had the experience of being involved in the review of the employment insurance bill. I can say there was a great deal of give and take within the Liberal caucus over that bill. It was the initial incarnation of the proposals which were quite different from what eventually became the law after a great deal of discussion, negotiation, and pushing and pulling.

One of the reasons the government had the support it did for the bill was that it promised that there would be an ongoing monitoring process. In the monitoring process it would examine the impact of

the bill throughout the country, particularly in those areas most affected by it which relied the most on seasonal industries, as in the case of Atlantic Canada.

It was important that promise was made when the bill was passed and that the government followed up on it and had a process of monitoring the results and the impacts of the changes made in the employment insurance bill.

Having done that, the government assessed the situation, assessed the impact of those changes, and said that some of it had worked well: in some cases people had been able to find more work; others had changed their working style or the way they work and had found extra weeks in the year; and others had problems. It wanted to see how it could improve the system to better assist people who need the assistance while at the same time encourage all Canadians to maximize the work they could get, which I think all Canadians want to do.

It is important that the system be fair to Canadians and recognize the situations that Canadians are in when it comes to their work lives. There are seasonal workers across Canada, whether they be fishery workers in Atlantic Canada, construction workers in central Canada, forestry workers in the west, or people in the oil and gas industry, who are unable to find year-round work year. They rely on the employment insurance system to enable them to feed and clothe their families during difficult periods when they would prefer to be working but are unable to find work to do so. This is an important part of our social safety net, one that I think Canadians strongly believe in and strongly support.

I want to focus today on one aspect of the changes. Several changes are being made in the bill, but I will focus on the intensity rule, one of the major changes. The intensity rule was designed to encourage people to find the most work they could and try not to use the employment insurance system year after year. The idea was that for every 20 weeks of benefits claimed in the last five years they would drop 1%, from 55% of their average income to 54% to 53%. Each year it would go down 1%.

The impact has not been what was expected or intended. It seems to have been punitive and has not achieved the effect desired. Other aspects of the system and of the former bill have had positive impacts that encouraged people to find year-round work and other kinds of work. However, this aspect of the bill has not had that kind of impact. It has not had the benefit anticipated or planned.

It is encouraging to see the government recognize that and decide to change the bill, to decide to amend and eliminate the intensity rule so that seasonal workers will not feel they are being penalized because they are stuck in seasonal jobs.

• (1340)

Imagine a 50 year old person who has worked in the forestry, fishery or oil and gas industry for 25 or 30 years. The person has

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been trained for that work and cannot see any other alternative to that. He or she cannot simply become a computer programmer tomorrow or next week. That is not an option. The person has become part of a seasonal industry.

It is important to recognize the way our economy works. We cannot apply a cookie cutter approach to every industry because every industry is different. Seasonal industries are important to Canada. The fishery provides hundreds of millions of dollars of revenue to Canada and to the GDP of our economy. It is a very important industry on both coasts and on our inland waterways.

It is important that the bill be amended. I am pleased to see the government moving toward the elimination of the intensity rule. It will make the employment insurance system fairer for all Canadians. Having been a part of the review group on the original bill, it is very satisfying to see the government, having gone through this process and having looked at the impact of the bill, deciding to make these changes now.

I am also pleased to see that the government has made a change to the clawback. The clawback was originally introduced so that people who were making high incomes every year could not collect EI on top of that income every year. We have heard examples of people making \$70,000 a year and on top of that income receiving employment insurance. Canadians did not like that and that was one of the reasons it made sense to make changes to the bill.

Having the clawback start at only \$39,000 meant that the people who were not just high income but also of moderate income were being hit by the clawback provision. The decision to increase the clawback level, as the bill would do, to \$49,000 or thereabouts, will mean that people at moderate and middle income levels will not be hit with the clawback. Those are two very important and positive changes, and they come at a time when other changes have also happened in employment insurance.

Members are well aware of the changes that provide for parental leave benefits. Most Canadians are strongly supportive of and recognize this change as important support of families in Canada.

The bill has many benefits for Canadians. Whether one is in Atlantic Canada, which is where my family lives, British Columbia or anywhere across the country, there are benefits for everyone in the employment insurance system. However, it is important to make these amendments in order to improve the system and make it fair for all Canadians.

I encourage members to join me in supporting the bill.

**Mr. Rob Anders (Calgary West, Canadian Alliance):** Mr. Speaker, I would first like to take the opportunity to thank my constituents of Calgary West for re-electing me to the House of

Commons. It is a great privilege to represent them yet again, and I thank them for this great honour.

I would like to describe for the folks back home what is going on today. The Liberals are making changes to employment insurance. I will talk about some of the things that should be done but are not being done and how the bill will affect people in Alberta and across the country.

I look around the House today and I see our pages. They serve us very well here in the House of Commons and do a great job for us. I will tell them a little bit about some of the injustices that are being visited upon them because they as well suffer the consequences with regard to employment insurance.

At the present time the government hires them as students. Because they are not full time, because they are part time, the government will collect employment insurance from them. All of you have EI deducted from your cheques.

• (1345)

**The Deputy Speaker:** I remind the hon. member to make his interventions through the Chair.

**Mr. Rob Anders:** Of course, Mr. Speaker, you are the one who issues their paycheques. You are forcing these students to pay into employment insurance, yet because they are part time they will never be able to collect on the money they have paid in.

If for some reason they were to leave this job or you were to let them go, they would never be able to collect on the money you are taking from them. It is not insurance; it is a tax. For these students who are helping us in the Chamber today, you are levying a tax on them. There is no ability for them to collect it.

Parliamentary pages are like hundreds of thousands of other students across the country who pay into employment insurance under the guise that it is insurance, and yet if they lost their jobs or wanted to collect back on it they never could.

This does not just apply to students. It applies to more than just part time students. The government is hoodwinking people like hairdressers, the self-employed, and all sorts of people who are paying into EI but who have no ability to or prospect of drawing on it because of the way it is structured.

I will call it what it deserves to be called. It is not an Employment Insurance Act. It is an employment tax. That is exactly what you are doing to these students, Mr. Speaker, and it is exactly what your government does to millions of people across the country when it levies this tax.

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Real things to create jobs, real initiatives other than tax cuts, are something my party and I support. To give an example of how nasty this tax is, how pernicious this tax is that you put upon these pages and others in the country, the government right now has approximately \$35 billion in the EI fund. It is a huge surplus.

The fund's chief actuarial officer says a \$15 billion surplus is all that is required. Therefore more than \$20 billion is being hoarded by your government, Mr. Speaker, from people like these pages right here—

**The Deputy Speaker:** I am having some difficulty. Certainly I am quite prepared to accept when the member refers to the Chair as being an officer of the House that has responsibilities within the Board of Internal Economy, the House of Commons being the employer of all employees on the Hill including the pages.

However, it is neither my government nor is it my opposition. I would hope the hon. member can make that distinction. The Chair is the Chair of the House of Commons, not of any party, not of any member, but of all parties and of all members.

**Mr. Derek Lee:** Mr. Speaker, I rise on a point of order. I too heard the references of the member opposite and I know you have addressed them. However, I hope my colleagues in the House can agree that it is inappropriate for a member in making remarks to directly or indirectly impugn the impartiality of the Chair in the way the member opposite appears to have done.

I hope all members in the House on both sides will accept that. If the member opposite has been misinterpreted by me or others in the way he has made the remarks, I hope—

**The Deputy Speaker:** Order, please. The Chair at this point is in no way offended, but I did want to make some clarifications, not on the opinions, the arguments or the debate, but simply on the position of the Speaker.

With the greatest of respect to the parliamentary secretary, I think we are engaging in debate and the debate at this time belongs to the member for Calgary West.

• (1350)

**Mr. Rob Anders:** Mr. Speaker, I am heartened that somebody who previously served as the government whip is able to distance himself from the Liberal government across the way. I will continue to talk about what the Liberal government has done previously and continues to do.

The Liberal government is hoarding \$35 billion in the EI fund. It is unconscionable when not nearly that amount of money is necessary.

I would like to tell the people of Alberta, who I know will undergo a provincial election very soon, exactly what is happening

in terms of the EI fund. I also tell all pages in the House of Commons to pay attention because these numbers hold true for province of Ontario. The numbers hold true for those working in Ontario as well as those in Alberta.

Alberta pays \$1.8 billion into the EI fund. Alberta takes out \$500 million. That leaves in the fund a net \$1.3 billion overpayment every year. There are 1.6 million working Albertans. If one does the math it works out to roughly \$800 per person. Those numbers carry forward for House of Commons pages as well. They do not earn as much as the average worker because they are part time. If, however, they earned an average wage in the low thirty thousands per year, they would be overpaying to the tune of \$800 per year in employment insurance, in terms of what they put in and what they take out in aggregate collectively.

That is inherently unfair when the government is taxing nearly \$1,000. Canadians are overpaying in terms of the Canada pension plan. The young people around this room know. I know and the government knows. You know, Mr. Speaker, that in 2017 the Canada pension plan will go bust when the actuarial demographic weight cracks down on it. Yet they are overpaying into the plan.

They and others like them are overpaying into both of these plans, EI and CPP, to the tune of \$1,000 or better per year, money they could have in their wallet and spend to their own discretion rather than give to the government. It is wrong.

What I would propose is somewhat controversial so I hope members across the way will listen. Five per cent of someone's wage, whether a janitor or the president of a given corporation or public entity, could be taken and put into a mandatory retirement savings plan, a super RRSP. In that way it would not be collectively wasted. It is not a Ponzi scheme. It is not a pyramid scheme. It is not something that goes into general revenue where people wonder if it will ever come out again.

It would go into individuals' accounts. They would know how much money they put in per year. They would know the rate of return on their investment. They could put it into GICs. They could put it into treasury bills. They could put it into bonds or into any number of instruments. They would know how much they had in aggregate.

If I asked any one of the bright people in the Chamber today, and they should be fairly bright people because they are supposed to be running the country, how much they had contributed over their lifetimes into the Canada pension plan, I bet not a single one of them, not even yourself, Mr. Speaker, would know even to the nearest hundred or the nearest thousand dollars exactly how much they had put into the CPP.

The reason they do not know and you do not know, Mr. Speaker, even though they are supposed to govern this land, is that EI is a



collectively held fund. Because they do not have individual accounts they do not know. It is the tragedy of the Commons. Ironic is that statement, tragedy of the Commons.

• (1355)

Another 5% would go to employment insurance. My father has recently retired. I hope he is having a good time and enjoying his retirement years. Maybe he is out doing something a little more enjoyable than watching me on TV. I do not know. If somebody like my father who never collected a day of employment insurance in his life could have the 5% he had set aside in EI rolled over to his pension when he turned 65, then 10% of his lifetime earnings would have been saved and invested for when he retired. That would be fair. It would be just. It would make sure that people were not abusing the worst aspects of the employment insurance system and that they would know it was theirs and was there for them.

I see the security guards around here. I remember that last session the government took money out of their pension fund, the public service pension fund. It scooped billions of dollars out of their pensionable earnings. That was wrong. If they were able to put 5% or 10% aside, they would know how much they were putting in and what they were getting as a return on their investment, rather than having the government take it from them. That would be far more just.

I hope we see that someday, rather than the present system that has all sorts of abuses wrapped up in it. People who work as part time students pay into the employment tax but have no ability to collect it. People who are self-employed and run their own businesses are double taxed, once as an employer and once as an employee.

Liberal members across the way laugh. They are making fun of the students in this room. They are making fun of the security guards who work above them. They are making fun of the people who are self-employed and double pay this tax. They laugh despite the fact that they have \$20 billion sitting in their chest that they should not have. It is owed to Canadian taxpayers, not to the Liberals who laugh across the way.

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## STATEMENTS BY MEMBERS

[English]

### AUTOMOTIVE INDUSTRY

**Mr. Maurizio Bevilacqua (Vaughan—King—Aurora, Lib.):** Mr. Speaker, Canada is one of the world's largest producers of automobiles but their assembly alone does not account for the importance of the sector to Canadian manufacturing. A host of

associated companies, large and small, make up Canada's automotive after market. They greatly contribute to the world class standing of Canada's automotive industry.

The Automotive Industry Association of Canada represents these companies. They are some 1,300 in number and include suppliers, national distributors and wholesalers which employ more than 220,000 people.

This morning AIA Canada's board of directors met with members of parliament to discuss how industry and government could work together to solve the current and future challenges facing the industry. The discussions are part of AIA's ongoing commitment to participate constructively in the policy making process of the country.

AIA Canada has provided parliamentarians with timely analysis on a number of issues and presents the perspective of the industry in a clear and effective manner. I thank its members for their contribution and involvement in helping shape Canada's public policy.

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### AGRICULTURE

**Ms. Lynne Yelich (Blackstrap, Canadian Alliance):** Mr. Speaker, as a third generation farmer and representative of a largely agricultural riding, I am pleased that an emergency debate was called today on the crisis facing the agricultural community.

I impress upon my colleagues the devastation that is taking place in the rural economy. It will only get worse in the short term without a strong federal initiative to end the downward spiral.

Farm incomes are expected to drop again this year to 65% below the five year average, a five year average which was built on an existing crisis period. Saskatchewan has approximately 25% of the nation's farmers and annually the number drops as people are forced off the land.

The struggles of our primary producers affect the entire country. Therefore the support of the House is critical to a solution being found. Let us use this opportunity to work together to bring about an end to the crisis.

Let us keep in mind that Eisenhower once said "It is mighty easy to farm when your plough is a pencil and you are a thousand miles from a cornfield".

\* \* \*

### MEDAL OF BRAVERY

**Mr. Jerry Pickard (Chatham—Kent Essex, Lib.):** Mr. Speaker, at a ceremony in Ottawa earlier this month, five individuals were awarded the Governor General's Medal of Bravery for their valiant rescue efforts along the shores of Lake Erie at Point Pelee National Park in August 1998.

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• (1400)

Two Canadians and three Americans were involved: Helmut Dueckman, Mark Major and Juliana Bartel, as well as Ashley and Marna Getz.

On that day when two small children were overcome by two metre waves, those who witnessed the event did not pause to react. They put their lives at risk to save others.

Tragically, 71 year old Helmut Dueckman, grandfather of these two children, lost his life despite the heroic rescue and revival attempts by Mark Major, a member of the Point Pelee National Park staff.

We commend these tremendous acts of bravery and join Helmut Dueckman's family in mourning his loss.

\* \* \*

**JOB CREATION**

**Ms. Bonnie Brown (Oakville, Lib.):** Mr. Speaker, last Friday Statistics Canada released its latest labour force survey. The numbers again confirm our government's successful job creation record. Over two million new jobs have been created since the Liberal government took office in 1993.

In the last year our job creation record is particularly remarkable when it comes to women and youth. Compared with a year ago, employment among women is up by 154,000 or 2.7%. This increase is more than twice the increase for men. As for youth, their employment grew by more than 70,000 jobs in the last five months.

What has been the strongest sector for job creation in the last 12 months? It has been trade. Employment in the trade sector rose by 4.9% in the last year, a rate more than double that of all other industries.

We will continue to establish policies that ensure all Canadians can participate in a future where Canada is one of the most innovative, inclusive and entrepreneurial nations in the world.

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**HEART AND STROKE FOUNDATION**

**Mr. Lynn Myers (Waterloo—Wellington, Lib.):** Mr. Speaker, cardiovascular diseases impose a devastating burden on Canadians, accounting for 37% of all deaths annually and placing a significant hardship and a diminished quality of life upon those living with these conditions. As our population ages we can expect to see an increase in Canadians living with the crippling effects of heart disease and stroke.

During this month of February, representatives from the Heart and Stroke Foundation of Canada will be going door to door in order to raise awareness and to receive donations as part of a national strategy to deal with cardiovascular disease. Events are

planned in communities across Ontario and from coast to coast and I would like to encourage all Canadians and all members in the House to participate.

I call on all members of the House to raise awareness in their communities and in their ridings about the benefits of leading a heart healthy lifestyle. Our efforts can save lives.

\* \* \*

**SASKATCHEWAN CURLING**

**Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance):** Mr. Speaker, a recent poll conducted by a Saskatchewan radio station named curling as Saskatchewan's number one sport, with hockey a close second.

Saskatchewan is well known for its addiction to curling. Not only does Saskatchewan love the game, but it also loves to play host to curling events, both national and provincial.

A month ago volunteers from Weyburn and for miles around put on an extraordinary show when Weyburn hosted the National Mixed Curling Championship. Later in January, the Estevan Curling Club hosted the Tournament of Hearts, which selected the Saskatchewan rink for the national finals.

Of course I am proud of the Estevan and Weyburn areas for showing the many visitors their unlimited hospitality and of course I am proud to tell you that they are both in the Souris—Moose Mountain constituency.

\* \* \*

**EAST COAST MUSIC AWARDS**

**Mr. Mark Eyking (Sydney—Victoria, Lib.):** Mr. Speaker, being a proud member from beautiful Cape Breton Island, I would like to congratulate my fellow Cape Bretoners on their achievements at the East Coast Music Awards on Sunday.

Gordie Sampson, Freddie Lavery, the Barra MacNeils, Natalie MacMaster and Jennifer Rollan made us very proud for the awards that they received.

As many Canadians know, Cape Breton has produced many fine musicians, and with music being a very important part of our culture, Mr. Speaker, you can be assured that Cape Breton will continue to contribute to the Canadian music scene.

\* \* \*

[Translation]

**ECONOMIC DEVELOPMENT**

**Ms. Francine Lalonde (Mercier, BQ):** Mr. Speaker, 2,000 jobs created, another 5,000 while a new plant was being constructed, the reopening of a plant closed since 1998, close to one billion dollars in investments: these are the results, in the riding of Mercier alone, of the recent Mission Québec to Spain.



● (1405)

Interquista, a consortium of GESPA and SGF, will be building a recyclable plastics plant in Montreal East at a cost of \$700 million. The petrochemical industry in the east of Montreal, which was hard hit by federal policy, is being reborn. Recommendations by BAPE have been integrated with the project and will allay any concerns the public may have.

Combining Quebec's openness to the world, the potential of our economy, the persuasive force of our state, and the power of our economic levers, that is the Quebec model.

And it works. Only the rest of Canada is bothered by it. May we move quickly from the status of a poor province to that of a rich country.

\* \* \*

[English]

### AGRICULTURE

**Mr. Inky Mark (Dauphin—Swan River, Canadian Alliance):** Mr. Speaker, farmers across Canada are in a state of crisis. They are begging for help from the Liberal government. They are cash strapped through no fault of their own. Years of low commodity prices with high input costs have pushed many family farms to the brink of bankruptcy. This \$100 billion industry needs immediate government assistance.

Agriculture is the backbone of the rural economy. Imagine the negative domino effect of taking the farmers off the land. Over the last two years Manitoba has lost 20% of its farmers. This year we will lose another 16% if the government does not come up with an immediate cash injection.

As a member of parliament from rural Canada, I plead with this government to lend a helping hand to those who provide the food for our tables, the Canadian farmers.

\* \* \*

### TRANSPORTATION SAFETY

**Mr. Andy Savoy (Tobique—Mactaquac, Lib.):** Mr. Speaker, the disgraceful and perilous section of the Trans-Canada Highway running between St. Leonard and Fredericton, New Brunswick is the primary transportation corridor for destinations in Atlantic Canada. This section is in dire need of an upgrade to four lanes. Hundreds of thousands of people from all across Canada travel this portion of the Trans-Canada every year.

Since the federal election in November there have been no less than 40 accidents, 6 serious injuries and 1 fatality on this section alone.

Currently there is approximately \$90 million left in the lucrative Canada-New Brunswick highway agreement. Unfortunately, little of this funding has been spent on road improvements in the two years since the last provincial election, and it is rumoured that in

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the next two years none will be spent until immediately prior to the next provincial election.

For the sake of all Canadians, I call on the provincial government to sacrifice its self-serving political agenda and begin spending money on twinning this section of the Trans-Canada or accept the responsibility for the unnecessary deaths of Canadian adults and children whose lives will be lost on this corridor of death over the next two years.

\* \* \*

### HEALTH CARE

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, we are nearing the one year anniversary of the introduction of Alberta's bill 11, a bill that has since been passed, received royal assent and, only 11 days ago, had standards approved that will allow private hospitals to treat patients overnight.

We are all one year older but this Liberal government is clearly no wiser. As Ralph Klein goes to the hustings he will surely defend his attacks on medicare by pointing to this federal government's silence on bill 11.

Canadians watched the Liberals run an election on being the defenders of medicare. Since then they have done nothing to protect medicare. This weekend we saw a real defence of medicare. We saw the Manitoba NDP government stand up against private hospitals. It did not just express grave concern. That government slammed the door on two tier health care in that province. That is how it is done.

When will our federal government show the same courage and prohibit private for profit hospitals?

\* \* \*

### ELIZABETH GRANDBOIS

**Ms. Paddy Torsney (Burlington, Lib.):** Mr. Speaker, I rise today to pay tribute to a courageous Canadian woman, Elizabeth Grandbois.

Ms. Grandbois is a woman of tremendous strength and volition. In 1997 she was diagnosed with ALS, Lou Gehrig's disease. Since then she has maximized her time by focusing her energies on raising awareness about this fast moving neurological disorder. On February 2 Elizabeth staged a huge musical celebration and fundraiser called Elizabeth's Concert of Hope.

She enlisted great Canadian talent: the Nylons, Susan Aglukark, Michael Burgess, Ian Thomas and Kevin Hicks. They joined her in this tremendous project and, surrounded by friends and family, politicians, celebrities and generous supporters, Elizabeth welcomed 750 individuals to Hamilton's Theatre Aquarius. Together they raised an incredible \$250,000.

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Elizabeth Grandbois is an outstanding Canadian. I am proud to have her as a friend and as a constituent in Burlington. Her courage will benefit all Canadians. As singer-songwriter Ian Thomas said, "The event was a testament to an excellent spirit. Where most of us would recoil and nurse our wounds, she tends to represent a spirit of humanity most of us aspire to".

\* \* \*

• (1410)

[*Translation*]**GAMES OF LA FRANCOPHONIE**

**Mr. Benoît Sauvageau (Repentigny, BQ):** Mr. Speaker, in 2001 Canada will be hosting the IVth Games of la Francophonie. They will be held in Ottawa, the capital and a unilingual English city.

Here are a few useful statistics for the countries who will be coming to visit us and who will be told that Canada, "the best country in the world", is bilingual.

First, according to Statistics Canada, 91% of the population of the city of Ottawa speaks English only, and 9.5% are francophone.

Second, the rate of assimilation of French speakers in the unilingual English capital of Canada is close to 30%.

In light of this, it would clearly appear that the expression best reflecting the true picture of the unilingual English capital will be a sign in English saying "Welcome to the Games of la Francophonie".

\* \* \*

**SAMUEL DE CHAMPLAIN**

**Mr. Denis Paradis (Brome—Missisquoi, Lib.):** Mr. Speaker, in 1604, Samuel de Champlain arrived in Acadia. He explored the coastline in the hopes of finding an ideal place to establish a colony. This was the start of a fine and great adventure.

As we approach the 400th anniversary of Champlain's arrival in America, I will undertake to make several statements in the House to focus on this great page of history.

Canadians, and more especially our young people, must remember all these facts and discover this great explorer, who, with other men and women, helped build the new land called New France.

Samuel de Champlain did not hesitate to go in search of his dreams. He was a true empire builder. According to author Samuel Eliot Morison, Champlain is one of the greatest explorers in history, probably the person who played the greatest role in the history of Canada.

I will come back to this.

\* \* \*

[*English*]**FOOD INSPECTION AGENCY**

**Mr. Rick Borotsik (Brandon—Souris, PC):** Mr. Speaker, it has been almost two weeks since Canada imposed a ban on beef

imports from Brazil. This decision was not based on science but on politics. The Prime Minister's office says that it is a health issue not a trade issue, in spite of receiving no evidence from their own officials that there is BSE.

Even though scientists from the Canadian Food Inspection Agency confirmed that there is no evidence of human risk, the Minister of Agriculture and Agri-Food and the federal government continue to persist in discrediting Canada's reputation. The Liberal government is damaging our trade situation further by setting the example for other countries to take Canada's lead in basing decisions on politics and not on science.

The Liberal government has gone so far as to muzzle and harass scientists within the CFIA who question the government's intentions because they know there is not sufficient evidence to maintain this ban.

The Prime Minister has allowed the industry minister's bungling of the Bombardier file to affect the work of the CFIA and Canada's international trade reputation. It is time to stop passing the buck. The Prime Minister and the cabinet must answer to Canadians.

\* \* \*

**PORNOGRAPHY**

**Mr. Joe Comuzzi (Thunder Bay—Superior North, Lib.):** Mr. Speaker, in October of last year Corpus Christi Church and St. Margaret's Church in Thunder Bay, led by their pastors, Father Pat Stiller and Father Donnelly, and their committees, led by Elizabeth Bortelussi and Rosalie Douglas, organized a white ribbon campaign against child pornography.

Hundreds of citizens wore those ribbons, signed them and returned them to their parishes, and I, in turn, delivered them just recently to the Minister of Justice.

It was never the intention of this parliament, when it passed the charter of rights and freedoms, to allow any form of child pornography in this country. I would hope that by the actions of these two parishes in Thunder Bay the benches will take judicial notice of the intent of parliament when it comes to making decisions with respect to child pornography in Canada.

\* \* \*

**INTERNATIONAL TRADE**

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance):** Mr. Speaker, in China lung cancer and tobacco related diseases are of epidemic proportions. The World Health Organization has said that three million people will die in China every year in the near future. In fact, tobacco companies have free dances and

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distribute free cigarettes to children so that they will become addicted.

Why has the Prime Minister and the government taken representatives of the tobacco industry to China with them? Why does the government claim to be for health care and claim to try to prevent smoking here at home while in the same vein take smoking and tobacco reps abroad? Is it the official policy of the government to say that it is preventing tobacco consumption at home while promoting tobacco consumption abroad?

This government should stop being hypocritical, eject the tobacco reps right off the team Canada mission and start doing abroad what it says it will do here at home.

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## ORAL QUESTION PERIOD

• (1415)

[*English*]

### ETHICS COUNSELLOR

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, we have before us today a confirmation from the ethics counsellor that the Prime Minister indeed did have a stake in the golf course next to the Auberge Grand-Mère during the time that it received millions of dollars. It is called a conflict of interest.

The ethics counsellor has now confirmed what we have been maintaining all along, that the Prime Minister stood to lose money if the value of that golf course dropped.

Why does the Prime Minister continue to deny that he had an interest in those shares during that time?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the leader's assertion is completely wrong. Mr. Wilson made some comments about hypothetical situations but he continued to reiterate that he had looked into the matter fully and he found that the Prime Minister had acted totally properly and within the rules, and that he did not own shares at any relevant time.

I suggest, therefore, that the Leader of the Opposition withdraw his assertion because he is only sinking deeper into the mud every time he opens his mouth about this topic.

[*Translation*]

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, the ethics counsellor finally confirmed that the Prime Minister had a personal interest in the value of the Auberge Grand-Mère remaining high.

Rather than treating taxpayers like so much baggage, why is the Prime Minister not acknowledging that the whole Auberge Grand-Mère is nothing less than a conflict of interest?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the ethics counsellor has maintained on several occasions that the Prime Minister was not in conflict of interest in this matter. He noted this in writing a few weeks ago to the leader. He confirmed it in interviews and maintains his position that the Prime Minister had no conflict of interest in this matter.

[*English*]

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, he should consult yesterday's and today's confirmation from the ethics counsellor.

The official opposition continues to bring forward ideas that will bring democracy and freedom to the House of Commons which will be good for all Canadians.

Tonight there will be a vote on a motion that I tabled last week, a vote asking for support for a promise from the red book that we would have an ethics counsellor who reports to this House. That was a Liberal promise, but we understand that the Liberal members of parliament will be whipped into opposing their own promise.

What is it about this motion that the Prime Minister thinks will hurt the country?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the ethics counsellor did not confirm that the Prime Minister was in a conflict of interest. The Leader of the Opposition is completely wrong in saying that.

I also want to say that what the Leader of the Opposition is asking members to do is nothing more than simply attack the Prime Minister for acting on undertakings he made to create an ethics counsellor position which did not exist before the 1993 election.

The ethics counsellor reports to the Prime Minister who reports to parliament and that is why we should vote against the opposition motion. It has no basis in reality.

**Miss Deborah Grey (Edmonton North, Canadian Alliance):** Mr. Speaker, I sort of thought the question was: Is the Liberal government going to carry through on its promises in the red book? It was pretty simple.

I first asked questions of the Prime Minister's interest for the Auberge Grand-Mère on February—

**Some hon. members:** Oh, oh.

**The Speaker:** Order, please. The Chair wishes to hear the question being posed by the hon. member for Edmonton North and I am sure other hon. members also wish to hear the question.

*Oral Questions*

**Miss Deborah Grey:** Mr. Speaker, I first asked a question about the Auberge Grand-Mère on February 1, 1999, two years ago. The Prime Minister and his ethics guard dog have pretended that the Prime Minister had no financial interest in the Auberge Grand-Mère. Now the Prime Minister takes off to China and his ethics counsellor cracks. He now admits that the Prime Minister in fact did have a financial interest.

• (1420)

The question is, why the two year cover-up?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the hon. member, as she is every day, is completely wrong in this. The ethics counsellor has not changed his position. The ethics counsellor has carried out his responsibilities for which he was praised by opposition parties. He is doing his job on an independent basis and should be praised for that.

Speaking of cover-up, how long did the hon. member cover up her intention to take her pension?

**Miss Deborah Grey (Edmonton North, Canadian Alliance):** Mr. Speaker, they try to deflect it, but the issue is that the Prime Minister and the ethics counsellor—

**Some hon. members:** Oh, oh.

**The Speaker:** Order, please. The hon. member for Edmonton North has the floor. We will hear her question.

**Miss Deborah Grey:** Mr. Speaker, when the Prime Minister called the ethics counsellor in January 1996 he warned him that the sale of his shares had fallen through. Until those shares were finally sold in 1999, the Deputy Prime Minister said no relevant time. There is nothing more relevant than the fact that the ethics counsellor is now condemning the Prime Minister. After that, \$3.4 million started flowing into the Auberge Grand-Mère. If that hotel had been allowed to go belly up, the golf course obviously would have been worth less, and the ethics counsellor has now confirmed that.

The question is, why was taxpayer money used to prop up the Prime Minister's personal investments?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, when it comes to the flow of funds, the member will have to direct her question to the Quebec government. This was done under a Quebec provincial program.

The Prime Minister's position, as stated by the ethics counsellor to the Standing Committee on Industry, is that "the Prime Minister doesn't own the shares and has not owned the shares since November 1, 1993, which is the only important issue". These were the words of the ethics counsellor before a committee of the House.

I am not trying to deflect anything. When it comes to answering the deputy leader with respect to her pension, it is not a deflection, it is a direct hit and she has taken it on the chin.

\* \* \*

[Translation]

**TRADE**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, last week, the Minister of Agriculture and Agri-Food told us that the ban on Brazilian beef was necessary because Brazil had failed to complete a questionnaire and public health was at stake.

Recently, we learned that Canada knowingly continued to import meat from Great Britain, Spain, France and several other European Union countries, even after the risks of mad cow disease had become known. I would remind members that these imports were still going on last year.

Will the minister explain to the House how Brazilian beef would be a greater threat to public health than the thousands of kilos of meat from the European Union?

[English]

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, Canada has not been importing beef from countries known to have BSE for many decades.

[Translation]

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, but that is what Statistics Canada documents show.

I know that the Department of Agriculture and Agri-Food claims that Statistics Canada's documents and figures are not reliable. Since on this occasion we do not have the best system in the world, I imagine that Statistics Canada and the Department of Agriculture and Agri-Food are having talks.

I would remind the minister that Brazil is a member of Mercosur, a free trade association which includes such countries as Uruguay and Argentina. Knowing that Brazilian beef can move between these two countries, what guarantee does the minister have that Brazilian beef is not entering Canada through Argentina and Uruguay?

[English]

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, that is exactly the type of reason that we are doing the risk assessment on what has been happening to the cattle that Brazil has been importing over the last number of years. We need to know that Brazil has had the capability to ascertain where these animals have ended up, are ending up and will end up, and whether they are ending up in the food chain. That is why the risk assessment is being done.



On the other information, the hon. member should get his facts straight. The numbers and references to Statistics Canada are referring to the World Health Organization risk material coming in from the European Union, and we have not brought in any.

• (1425)

[Translation]

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, to justify his embargo on Brazilian beef, the minister mentioned a questionnaire that was apparently not completed by Brazilian authorities.

Has the minister seen the questionnaire and can he tell the House if he found anything out of the ordinary that would justify his fears and his embargo?

[English]

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, this questionnaire was put together by the NAFTA partners, Canada, the United States and Mexico. In 1998 those three countries decided which countries they would send the questionnaire to and that when the results were received, they would jointly assess the information that came back.

Brazil did not send its information back until a week ago last Friday and at that time it was not complete. Technicians are going there today to follow up on that information.

[Translation]

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, the government is using the fact that Brazil was late in returning its questionnaire to justify its embargo. We now know that the questionnaire has been received. I imagine that, in the meantime, the government has reviewed the questionnaire completed by Brazilian authorities.

Can the minister tell us whether there are significant differences between the answers on this questionnaire and those on the questionnaires completed by Argentina and Uruguay and, if so, what they are? Do these differences justify a total ban on Brazilian beef?

[English]

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I hope the hon. member is not questioning the safety of the health of Canadians.

I will repeat again that Brazil has not yet provided all of the information to the technicians. However, a technical team from Canada, Mexico and the United States will be going to Brazil later today so that they can be there tomorrow to work in co-operation with the Brazilian officials in order to do the risk assessment.

### Oral Questions

#### HUMAN RIGHTS

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, what is wrong with this picture? The Prime Minister goes to China. He says that Canada wants China—

**Some hon. members:** Oh, oh.

**The Speaker:** Order, please. It is very difficult for the Chair to hear the hon. member for Halifax, and not just because she is seated a long way from the Chair. We would like to hear the hon. member. I am sure that hon. members on both sides of the House will allow her to ask her question.

**Ms. Alexa McDonough:** Mr. Speaker, understandably there are some pictures that this group does not want to hear about.

The Prime Minister goes to China. He says that Canada wants China to respect human rights. Forty-eight hours into Canada's trade mission, some of the Prime Minister's own delegation taunt some Canadian students and tell them to shut up about human rights abuses.

My question is for the foreign affairs minister. Does Canada have a credible human rights position or is the Prime Minister just posturing?

**Hon. John Manley (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I think what is wrong with this picture is that the hon. member does not know what is going on.

Earlier today the Prime Minister gave a speech in China in which he was very clear on the importance of the rule of law. He spoke to the rule of law and the independence of the judiciary by saying that "moving to the rule of law carries with it the subordination of all social, economic, political and individual behaviour to an agreed set of codes and regulations". He said that "no one can be above the law" and that "rules must be the common property of all citizens".

That was a very clear statement in favour of the importance of the rule of law in human rights in China which our Prime Minister was in a position to deliver.

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, talk about a bundle of contradictions and mixed messages. We have businessmen, invited by the Prime Minister, who go to China and condemn Canadian students who stand up for human rights.

My question is for the foreign affairs minister. If the Prime Minister is doing anything more than posturing, will he condemn the Canadian business voices who said not to speak up against Chinese human rights abuses?

**Hon. John Manley (Minister of Foreign Affairs, Lib.):** Mr. Speaker, if I follow the hon. member's point, we have the Prime Minister in China speaking forcefully for human rights. We had some Canadian students voicing their opinions but when they ran



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into trouble with Chinese authorities, our embassy officials made sure they were released and treated properly. At the same time, the hon. member does not think that Canadian business people have the right to express their opinions.

Exactly where do human rights lie in the mentality of the hon. member?

\* \* \*

• (1430)

**ETHICS COUNSELLOR**

**Right Hon. Joe Clark (Calgary Centre, PC):** Mr. Speaker, my question is for the Minister of Industry. The alleged purchaser of the Prime Minister's golf club shares in 1993 was a company called Akimbo, controlled by Mr. Jonas Prince. Mr. Prince told the *National Post* that the agreement was never a firm sale but rather an option or right to purchase. That would mean the shares always belonged to the Prime Minister.

Will the Minister of Industry seek the agreement of Mr. Jonas Prince to table in parliament all relevant documents and agreements in this case?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the ethics counsellor, in testifying before the industry committee of the House, said "The Prime Minister doesn't have an interest in this matter. He sold his interest".

He went on to say: "It was a sale free and clear of his interest in that golf course. The Prime Minister doesn't own the shares and has not owned the shares since November 1, 1993, which is the only important issue".

That was the ethics counsellor's testimony before the standing committee of the House.

**Right Hon. Joe Clark (Calgary Centre, PC):** Mr. Speaker, just to keep the Deputy Prime Minister up to date, the ethics counsellor has now said that the Prime Minister's shares in the golf course were never placed in a blind trust. That is what the ethics counsellor said last week.

Will the Deputy Prime Minister confirm that the Prime Minister's shares in the Grand-Mère Golf Club were never placed in a blind trust?

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, the leader of the Conservative Party has admitted to fishing on this question. Yesterday he asked for urgent information on executive search firms, saying that search firms had been switched in the hiring between Mr. Schroder and Mr. Vennat. I checked and that information is false.

He asked for information on which executive search firms were involved in the hiring of executives at BDC. I can tell him that I have in my hands the list of not one or two but of ten. That is

normal practice by any corporation when seeking out executives, depending upon their skill sets.

The hon. member is fishing. He is coming up dry. He is running away from his earlier—

**The Speaker:** The hon. member for Richmond.

[*Translation*]

**Mr. Joe Peschisolido (Richmond, Canadian Alliance):** Mr. Speaker, yesterday the ethics counsellor, Mr. Wilson, said that the Prime Minister did have an interest in the financial health of the Auberge Grand-Mère and the Grand-Mère golf course.

Mr. Wilson clearly stated that the Prime Minister might lose money on his investment.

Is the Prime Minister in agreement with Mr. Wilson and will he simply acknowledge his financial interest between 1996 and 1999 in the Auberge Grand-Mère?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, Mr. Wilson was speaking hypothetically. The matter is clear and he has reached a decision on it. He has said clearly, and I quote him in English:

[*English*]

"The Prime Minister doesn't own the shares and has not owned the shares since November 1, 1993, which is the only important issue".

[*Translation*]

This was what the ethics counsellor testified before the House of Commons Standing Committee on Industry.

**Mr. Joe Peschisolido (Richmond, Canadian Alliance):** Mr. Speaker, in 1996, as soon as the Prime Minister discovered that the sale of his shares had fallen through, he contacted Mr. Wilson to ask his advice.

Mr. Wilson offered him a clear choice: declare his shares or sell them.

I want to know why the Prime Minister did not follow the advice of his ethics counsellor, Mr. Wilson.

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, according to my information, the Prime Minister did follow the advice of the ethics counsellor.

\* \* \*

**YOUNG OFFENDERS**

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, currently, when an adolescent commits a minor offence, the matter is referred to the crown prosecutor, who determines whether the young person needs help. If so, the Quebec system rehabilitates him immediately.

• (1435)

With the minister's bill, the youth will receive a warning only. The crown prosecutor will not see the record and will not be able to require the young offender to follow a program of rehabilitation.

*Oral Questions*

Does the minister realize that her bill puts an end to Quebec's educational approach?

[*English*]

**Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, as I have said throughout this debate with the hon. member, our new youth justice legislation provides all the provinces with sufficient flexibility to continue those programs and policies they presently have in place.

[*Translation*]

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, instead of the minister saying just any old thing, I would like her to try to understand Quebec's approach in this area. I will give her another very straightforward example.

Today, a young offender found guilty of a serious crime leaves a rehabilitation centre when Quebec social services consider him rehabilitated. However, with the minister's bill, the young person will be treated as an adult and automatically released after serving two thirds of his sentence, rehabilitated or not.

Does the minister understand that the bill prevents Quebec from continuing its rehabilitative approach?

[*English*]

**Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, this bill does not prevent Quebec from pursuing its rehabilitative approach. What it does is encourage that approach.

We in the federal government will be providing additional resources to the province of Quebec to build upon its rehabilitative program.

\* \* \*

**ETHICS COUNSELLOR**

**Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance):** Mr. Speaker, cracks keep opening up in the dike the Liberals have tried to build to hold back the Prime Minister's apparent wrongdoing.

Last week Canadians learned the industry minister's claim that the Prime Minister's golf course was in a blind trust was false. Now comes the admission that the Prime Minister stood to lose money if the value of his golf course fell. These raise valid concerns about apparent conflict of interest.

Why does the Prime Minister not simply table the relevant documents so that Canadians can judge for themselves?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the Prime Minister has given full answers in the House. The ethics counsellor has appeared before the industry committee and has given very full answers on this matter.

The whole picture is already before the public as well as the House.

**Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance):** Mr. Speaker, that is absolute nonsense. There are no full answers, but there are a lot of full questions that the Prime Minister refuses to answer.

If the documents are there that show his interest in the golf course was sold, or what it was sold for, or when it was sold, why does he not just table them so that everyone can see and judge for themselves? What is he hiding?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the Prime Minister is not hiding anything.

I am wondering why opposition members persist in these questions. Are they trying to hide the fact that they lost the election because Canadians said that they had no vision, that they wanted to get rid of the health care system and that they wanted to get rid of old age pensions?

They are trying to hide a lot and that is why they are bringing up this subject now.

\* \* \*

[*Translation*]

**HOME HEATING ASSISTANCE**

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, yesterday, the Secretary of State for International Financial Institutions said that there had been problems with the distribution of cheques for home heating assistance and that even dead people and inmates had received such cheques.

He also said that the government was considering recovering these moneys, including through income tax returns.

Does the minister endorse these comments and is he not concerned that the operation to recover these cheques could look just like the distribution process in that it might not be conducted properly, that it might be based on ill-suited criteria and that it could create new injustices?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, as I repeated many times in the House, the secretary of state said that officials from the Department of National Revenue and the Department of Finance are reviewing the matter. Some provinces are also involved. Once a decision is made, everyone will be informed accordingly.

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, at the rate things are going, should the Minister of Finance not consider more effective and equitable ways to truly compensate those affected by the rise in home heating costs, rather than correct an injustice by creating another?

*Oral Questions*

• (1440)

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, we proceeded in this fashion for the same reason that the provinces did. It was the most effective way to give these cheques to the poor.

If we had chosen another solution, these people would have received their cheques next summer instead of in January. I can assure the hon. member that it is a lot colder in January than in July.

\* \* \*

[English]

**MINISTER OF FINANCE**

**Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance):** Mr. Speaker, it is time for somebody on the front bench of the Liberal government to stand up for the truth about the unethical conduct of the Prime Minister. Where I come from, a person who knows that a wrong has been done and remains silent about it is as guilty as the perpetrator of the act and becomes an accomplice.

It is time for the Minister of Finance to stop defending the indefensible actions of the Prime Minister by his silence. Will the Minister of Finance today distance himself from the inappropriate actions of his leader, or will he remain silent and condone them?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the hon. member is a newcomer to the House. He has been—

**Some hon. members:** Oh, oh.

**The Speaker:** Order, please. It is impossible for the Chair to hear the answer the Deputy Prime Minister is giving to the question.

**Hon. Herb Gray:** Mr. Speaker, it is well known in the House, and I think it is the principle even in the house in which the member served before, that we can only expect ministers to answer on matters under their administrative responsibility. The hon. member is trying to paint a misleading picture to the public who has been watching this on TV by asking this question.

I notice how the hon. member ran away from the Conservative Party when he did not end up as its leader. I do not think he should be giving any lessons to anybody on these kinds of subjects.

**Some hon. members:** More, more.

**The Speaker:** I know many hon. members are wishing to ask questions and many members are wishing to give answers. If we take up time like this we will not get them all in.

**Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance):** Mr. Speaker, I thank the Deputy Prime Minister for letting us all know that truth is not in the purview of the Minister of Finance. My question—

**The Speaker:** I think we will move on to the next question.

\* \* \*

[Translation]

**AMATEUR SPORT**

**Mr. Jeannot Castonguay (Madawaska—Restigouche, Lib.):** Mr. Speaker, my question is for the Secretary of State for Amateur Sport.

Can the hon. member can tell us what the Government of Canada is planning to do to help our athletes prepare for the 2002 winter games in Salt Lake City?

**Hon. Denis Coderre (Secretary of State (Amateur Sport), Lib.):** Mr. Speaker, on April 27 and 28, as the House knows, the Prime Minister of Canada will be chairing the National Sport Summit in order to put in place a new Canadian sport system.

In the meantime, we must respond to immediate needs in order to create conditions that will help our athletes reach their objectives.

Today, I am announcing an additional \$1.2 million in funding to help our Olympic and Paralympic athletes achieve their dreams. Let us all support our athletes and be proud of them.

\* \* \*

[English]

**HEALTH**

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, last night on the CBC there was a very alarming report about Canadian diabetics who suffered severe impacts from using genetically engineered insulin.

Indeed, at least 121 serious complaints from physicians, and I suspect there are more, beg the question as to why Health Canada is leaving these diabetics at risk by not ensuring that animal insulin is accessible and available from pharmaceutical companies.

What will the government do to protect the health of these Canadians?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, I thank the hon. member for raising the topic. It is an important one. I will look into it and get back to her as soon as possible.

• (1445)

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, if the government is as concerned about food safety as it has claimed throughout the whole Brazilian beef episode, why then would it consider the very scientists who are responsible for human health and food safety to be irrelevant to this issue?

*Oral Questions*

The Deputy Prime Minister said yesterday that it was okay to gag scientists for speaking out about public health because, as he said, they had no responsibility in the area.

That begs the question, why in heaven's name were they not involved from the beginning and will they now be included in developing a science based, fail safe system of dealing with the potential threat of mad cow disease?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the hon. member would have more credibility if she had quoted me accurately. I said that the officials in question were not working directly on the matter of the ban on beef from Brazil.

They are not in the Canadian Food Inspection Agency. They work in an area of the Department of Health that was not dealing with this issue. I think this is a fact that should be put on the table. She ought to revisit her question in light of this fact and other facts in this matter.

\* \* \*

[Translation]

**BUSINESS DEVELOPMENT BANK OF CANADA**

**Mr. André Bachand (Richmond—Arthabaska, PC):** Mr. Speaker, the Prime Minister is up to his neck in the Auberge Grand-Mère affair.

He made improper use of his prerogative as Prime Minister by intervening directly with the federal Business Development Bank of Canada. He made improper use of his prerogative as Prime Minister by intervening to change the head of the BDC. He made improper use of his prerogative as Prime Minister by intervening directly in a matter that was indirectly in his own personal interest. He made improper use of his prerogative as Prime Minister by not ensuring that the shares he held until 1999 were put in trust. Why?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the only improper use I see is the improper use of logic in this farfetched question. The ethics counsellor has stated on numerous occasions that the Prime Minister had not broken any rules in this connection and had acted within the rules. He has done nothing wrong.

[English]

**Right Hon. Joe Clark (Calgary Centre, PC):** Mr. Speaker, my question is for the Minister of Industry. Will he table the documents I requested yesterday regarding the specific search firms used in the specific cases of Bernie Schroder, Michel Vennat and Jean Carle?

Will he also confirm that the suggestion to use the firm Spencer Stuart to facilitate the hiring of Mr. Jean Carle was a suggestion made during a hockey game to Mr. François Beaudoin by Mr. Jean Pelletier, chief of staff for the Prime Minister of Canada?

**Some hon. members:** Oh, oh.

**The Speaker:** Order, please. The Chair has to be able to hear the question and the answer. It was getting difficult at the end of the question and it is impossible now.

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, I was wondering why the leader of the Conservative Party was running away from his questions of yesterday. Perhaps it is because he has discovered his assertion that search firms were switched is a false assertion.

There are not one or two executive search firms. There are at least 10 of which I know. They are all employed for different jobs that need to be filled.

No direction is given to BDC on who it hires as an executive search firm. I can say it is something I do not do. I spoke to my predecessor and it is something he did not do. As for hockey games and fishing trips, I wish the member well.

\* \* \*

**ETHICS COUNSELLOR**

**Mr. Monte Solberg (Medicine Hat, Canadian Alliance):** Mr. Speaker, the authorities who wrote the book on ethics are starting to speak out about the Prime Minister's conduct.

Gordon Robertson, a clerk of the Privy Council for 12 years under both Lester Pearson and Pierre Trudeau, said "I don't trust the government. What happened in Shawinigan never would have met the standards set in Pearson's ethics code. I should know. I drafted it".

Why does the Prime Minister allow lower ethical standards to be kept in his government than he had to live with in the Pearson and Trudeau governments?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, I think I will have to check the alleged quote in the context of which it was stated. Often when members of the opposition get up on things like this and then we look to see what was actually said, it turns out to be far different from what is alleged.

For example, yesterday the Leader of the Opposition said he had Quebec government documents about investor flow of funds. Our office tried to get copies of those documents. So far the Leader of the Opposition's office has failed to provide them. I wonder why.

● (1450)

**Mr. Monte Solberg (Medicine Hat, Canadian Alliance):** Mr. Speaker, Mr. Robertson said the shenanigans in Shawinigan would never have happened under Lester Pearson. He said "The Prime Minister has lowered the bar" on ethics.

Why is it that no matter how low the ethical bar goes, the Prime Minister always finds a way to limbo under it?



*Oral Questions*

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, no one can get as low as the hon. member on these unwarranted assertions. When it comes to limboing low, he set the world record and nobody can beat it.

\* \* \*

[Translation]

**REPRODUCTIVE TECHNOLOGIES**

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Mr. Speaker, scientists announced yesterday that the sequencing of the human genome is almost complete.

However, one problem arises, among many. We know that 99% of all genes are common to humanity, but private enterprise would like to hold the rights to the sequencing.

Does the government intend to legislate to ensure that discoveries pertaining to the human genome are available universally and at no cost?

**Hon. Gilbert Normand (Secretary of State (Science, Research and Development), Lib.):** Mr. Speaker, Canada's position in this sector is the same as that taken by Mr. Blair and Mr. Clinton a few months ago.

We are currently establishing our genomics research institutes. We have invested \$160 million in Genome Canada and we will continue this research as a country providing at the moment the greatest support for genetics research and placing third in the world as a country. Regulations will meet international requirements.

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Mr. Speaker, does the government intend to support in the international community the proposal made by many scientists that the human genome and its sequencing be declared a heritage of humanity?

**Hon. Gilbert Normand (Secretary of State (Science, Research and Development), Lib.):** Mr. Speaker, I repeat what I have just said: Canada's position on the ownership of genes is the same as that of Mr. Clinton and Mr. Blair.

We will not allow it to become private property, and the future international regulations will be drafted jointly with all of the G-8 countries.

\* \* \*

[English]

**ETHICS COUNSELLOR**

**Mr. Randy White (Langley—Abbotsford, Canadian Alliance):** Mr. Speaker, I want to provide the House with a quote from the ethics counsellor: "We are not looking to catch people. What we are looking to do is give people advice in the first 120 days after they are appointed, so we can take together the steps that will ensure that there is not going to be a conflict".

I would like to ask one of the sparks of brilliance over there just what happens when ethical breaches and conflicts of interest arise after 120 days as they have with the Prime Minister.

**Some hon. members:** Oh, oh.

**The Speaker:** Order, please. If we are going to have sparks of brilliance, we are going to hear it.

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, thank you for confirming that from time to time I can give off sparks instead of the dead cinders and ashes that come out of the mouth of the hon. member.

**Mr. Randy White (Langley—Abbotsford, Canadian Alliance):** Mr. Speaker, in Canada we hear a spark of brilliance. The ethics counsellor is quoted as saying that he helped persuade the Prime Minister to drop the Liberal campaign promise that he as the ethics counsellor would report to parliament. He also said that he feared an independent ethics counsellor would usurp the accountability of the Prime Minister.

If the Prime Minister violates the codes of ethics, who is he accountable to? Is it the ethics counsellor? Is it cabinet? Is it somebody else over there? Just who is he accountable to anyway?

**Hon. Herb Gray (Deputy Prime Minister, Lib.):** Mr. Speaker, the Prime Minister is accountable to this parliament and through this parliament to the Canadian people who gave him three majority victories back to back, with an even bigger majority in the last election. That speaks for a lot.

\* \* \*

**TRADE**

**Ms. Judy Sgro (York West, Lib.):** Mr. Speaker, in Seattle last year the world witnessed riots and protests. At the time the government committed to more openness and transparency in negotiating trade agreements.

• (1455)

With the upcoming summit of the Americas in April in Quebec City, could the government tell us in practical terms what it is doing to ensure that it is more open and transparent?

**Mr. Pat O'Brien (Parliamentary Secretary to Minister for International Trade, Lib.):** Mr. Speaker, the government is firmly committed to an open and transparent process leading to an FTAA.

The government is actively seeking input from NGOs, stakeholders and all interested Canadians. We continue to receive written submissions and daily comments on our website. The government is taking great pains to ensure that our negotiating position will reflect the views of Canadians.



*Oral Questions***INFRASTRUCTURE**

**Mr. Ted White (North Vancouver, Canadian Alliance):** Mr. Speaker, there is a transportation infrastructure crisis on the lower mainland of Vancouver, but the government continues to suck \$360 million a year in gas taxes out of British Columbia. That is more than five times the annual highway budget for B.C.

How could the Minister of Transport justify this \$360 million tax grab when he does not return a single cent of that money to B.C. for highways?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the hon. member knows that the government does not operate and no government can operate on the basis of dedicated taxes.

If we look back over the course of the last seven years, the fact is that the government has invested very heavily, whether it be in the Canada Foundation for Innovation or the national child tax benefit. A multitude of moneys is going to universities in British Columbia. Right across the board, we have reinvested enormous sums and ought to do so in British Columbia.

**Mr. Ted White (North Vancouver, Canadian Alliance):** Mr. Speaker, the chart for spending on highways across the country shows a different picture. The minister's national highways program consistently goes off the pavement before it reaches B.C.

For the year 2001, out of a budget of \$110 million not a single cent, zero dollars, nothing, has gone to B.C. From now on B.C. wants its fair share of the money.

When will the minister live up to his obligations and restore full funding, B.C.'s fair share of that funding, for the highways of B.C.?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, my hon. friend obviously forgot that the Minister of Finance last year in his budget allocated \$2.65 billion over six years for infrastructure, including \$600 million for national highways in particular, to be applied at the border crossings, which includes the border crossings south of the Vancouver area.

The government is doing a lot to alleviate the transportation crisis in the country and will do more.

\* \* \*

[Translation]

**CORRECTIONAL SERVICE CANADA**

**Ms. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ):** Mr. Speaker, in his 1998 report, the Correctional Investigator of Canada described the incarceration of women in men's prisons as discriminatory.

Yet, in his report tabled yesterday, the same investigator noted that this practice is on the increase and that corrective action is slow in coming.

Knowing that the Correctional Service of Canada is in no way required to take the investigator's recommendations into account, what action does the solicitor general plan to take to ensure that these recommendations are followed up?

[English]

**Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.):** Mr. Speaker, the government has taken a number of steps to address the situation with women offenders, such as closing the Kingston penitentiary which I am sure was a very important move.

Also we have minimum and medium institutions across the country to house women. We are now in the process of building maximum institutions in these minimum and medium institutions to deal with maximum women offenders.

\* \* \*

**HUMAN RIGHTS**

**Ms. Anita Neville (Winnipeg South Centre, Lib.):** Mr. Speaker, my question is for the Secretary of State for Multiculturalism. Statistics show that 43% of victims of hate crimes attribute race and ethnicity to their victimization.

Statistics further show that the risk of victimization is higher for those born outside Canada and is highest for members of visible minorities and for young people. What is the secretary of state doing to fight racism, discrimination and hate in Canada?

**Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.):** Mr. Speaker, we view with a great deal of concern the rise of hate and racism in the country, especially since the Internet is being used to target young people.

I have met with thousands of Canadians across the country to develop a federal plan to deal with race, hate and discrimination.

● (1500)

A United Nations conference will be held in August. We will use that conference to place Canada's world vision to deal with these issues on the table, because this is a major source of war in the world today.

\* \* \*

**PARLIAMENTARY REFORM**

**Mr. Vic Toews (Provencher, Canadian Alliance):** Mr. Speaker, yesterday in China the Prime Minister stated that some terra cotta warriors at the museum would "be great in the House of Commons. You could just get them up to vote".

*Speaker's Ruling*

It is clear that he does not need terra cotta warriors because he has already secured the same level of co-operation from his caucus.

Why does the Prime Minister refuse to allow his caucus to vote for democratic reforms needed in the House of Commons?

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, there have been a number of very significant improvements to our standing orders over recent years. The government committed itself to further improvements in the Speech from the Throne. We also had the excellent speech from the Prime Minister advancing this.

I will be consulting with the House leaders of all other parties. I am looking forward to real improvements in House of Commons procedure, which I hope will come very soon.

\* \* \*

**PRIVILEGE**

## PROCEDURE AND HOUSE AFFAIRS—SPEAKER'S RULING

**The Speaker:** The Chair will now deal with the question of privilege raised by the hon. member for Sarnia—Lambton on February 6, 2001. The question of privilege concerned the departure from the House of Commons of two legislative counsel who had appeared last spring as witnesses before the Standing Committee on Procedure and House Affairs.

The hon. member argued that the witnesses had sought, and had received, the assurance of the committee that their testimony would be privileged and that there would be no reprisals for their testifying. He alleged that the departure of the two counsel was a direct result of their testimony and so constituted a prima facie case of privilege.

[*Translation*]

Before proceeding further, I would like to thank the hon. member for Sarnia—Lambton and all members who contributed to the discussion. In particular, I would like to draw attention to the comments of the opposition House leader (the hon. member for Fraser Valley), the whip of the Bloc Québécois (the hon. member for Verchères—Les Patriotes), the House leader for the Progressive Conservative Party (the hon. member for Pictou—Antigonish—Guysborough), and the hon. member for Pickering—Ajax—Uxbridge.

In his presentation, the hon. member for Sarnia—Lambton provided a chronology of events that occurred subsequent to the committee appearance of these two individuals and suggested that this chronology represented evidence that what he termed their “shotgun firing” from the House of Commons was a direct consequence of their appearance before the committee. Thus, the

hon. member argued that this action constituted a prima facie case of privilege.

• (1505)

First, let me say that this is a matter that I take very seriously. The allegation, if it is founded, carries serious repercussions not only for the two individuals directly concerned but for the integrity of the committee system of the House as well as for the House's reputation as a fair and just employer.

[*English*]

Furthermore, for my part as I render this decision, I am aware that I play two different roles in this situation. As the Speaker presiding over this Chamber, I must determine whether or not the hon. member for Sarnia—Lambton has made a persuasive argument for this matter being judged a prima facie case of privilege. As the Speaker chairing the Board of Internal Economy, which is the employer, I am duty bound to preserve the confidentiality of board discussions, particularly as they concern matters of staff relations which are, by their very nature, completely confidential.

The case before us is especially complex for it intertwines the issue of privilege with a complicated staff relations situation that predates any invitation to appear before the Standing Committee on Procedure and House Affairs. Added to this already difficult situation is the whole matter of resourcing of the legislative drafting function, an issue on which many hon. members have strong opinions. Let me try to settle the differences of view in this situation.

As presiding officer in the House, it is my duty to act as the guardian of the rights and privileges of members and of the House as an institution. Insofar as parliamentary privilege extends to witnesses, I have also to protect their rights and privileges.

So first I would like to deal with the issue of the intimidation of witnesses before parliamentary committees. It is clearly stated at pages 862 and 863 of Marleau-Montpetit's *House of Commons Procedure and Practice* that the principles of parliamentary privilege are extended to witnesses when they appear before a parliamentary committee. I quote:

Witnesses appearing before committees enjoy the same freedom of speech and protection from arrest and molestation as do Members of Parliament. . . Tampering with a witness or in any way attempting to deter a witness from giving evidence at a committee meeting may constitute a breach of privilege. Similarly, any interference with or threats against witnesses who have already testified may be treated as a breach of privilege by the House.

[*Translation*]

In the present case, the hon. member for Sarnia—Lambton has recounted a chronology of events and, based on this chronology, alleges a cause and effect connection between the appearance of two counsel before the Standing Committee on Procedure and House Affairs and their subsequent departure from the House. The hon. member points out that the witnesses had asked for and had received assurances from the committee that they would be

protected by parliamentary privilege in the event of reprisals arising out of their testimony. He contends that this protection appears to have been ignored and argues that a prima facie case of privilege exists.

[English]

I am not going to review the chronology of the events presented except to say, with respect, that it is incomplete. As a review of the testimony of counsel before the committee will reveal, the relationship between the employer and these employees was already in an advanced state of deterioration by the time these individuals testified. Were the appearance before the committee the only circumstance to be considered in examining this case, there might indeed be a persuasive argument for concluding that this is in fact a case of reprisal.

However, things are not so simple. By the time of the testimony last spring, the employer-employee relationship was already characterized by acrimony and recrimination. The dispute between these legislative counsel and management was longstanding and continuing. Indeed, there were several issues that were the subject of complaint at the time counsel appeared before the committee. Given these circumstances, the Chair must conclude that there is not a prima facie case of privilege.

The Chair would commend to all hon. members the intervention of the hon. House leader of the official opposition who cautioned against judging the situation having heard only one side of the dispute. At page 309 of *Debates* he said:

However, I have a problem with raising personnel issues on the floor of the House of Commons. . . . When these two employees of the House appeared before the standing committee and asked for protection of the House, we did not understand that there were outstanding grievances between management and the employees. . . . We ended up hearing a kind of rehash of the ongoing problems. . . . we did not have the background knowledge to deal with. . . . We should not handle a grievance process, in a public forum, on the floor of a committee or on the floor of the House of Commons.

• (1510)

The opposition House leader like any other member of the board, and I remind members that I was also a board member in the last parliament when this issue was raised there, is bound by the statutory requirement for confidentiality of board discussions on this or any other matter, but we all feel a particular responsibility with regard to staff relations issues which, by their nature, must be kept completely private and confidential.

In addressing this most unfortunate situation the board has been guided by the usual principles of human resource management and in seeking a solution we have made every effort to reach a fair and equitable settlement with the parties. In one case happily such a settlement has been possible. In the other case it has not been possible to reach agreement and the individual is now seeking

### *Speaker's Ruling*

redress through a third party tribunal, the Public Service Staff Relations Board. While the matter that is before the PSSRB is not, strictly speaking, sub judice, I would suggest that we should not interfere in that process but rather allow it to reach its own conclusions in due course.

[Translation]

Many hon. members have been employers in their professional lives before being elected to this House. All hon. members are now employers in their own right of staff here in their Hill offices or at home in their constituency offices.

I know that hon. members will appreciate from their own experience that the most difficult and often the most delicate situation an employer can face is dealing with employees with whom there are irreconcilable differences.

[English]

Parliament has set out the terms of the employer-employee relationship here at the House of Commons. Labour relations are governed by statute, that is, the Parliament of Canada Act and the Parliamentary Employment and Staff Relations Act; by collective agreements with bargaining agents; and in this instance, by practice that is parallel to the professional norms governing counsel employed in the Public Service of Canada. Under the terms of this framework employees have the right to raise complaints and follow grievance procedures up to and including bringing matters before the Public Service Staff Relations Board. Individuals also have the right to seek redress through the courts.

As the employer of record at the House, the Board of Internal Economy is always mindful of its responsibilities in dealing with employee issues generally or, in certain circumstances, with the cases of individual employees. As the chair of the board, I have a particular responsibility to uphold the integrity of the staff relations system and to allow the procedures that have been set in motion to reach their conclusions unhampered.

Therefore, on a close examination of all the facts, I have concluded that to interpose into the system of existing safeguards, whether they be provided by the PSSRB or the courts, ad hoc hearings by members of parliament in the Chamber or in committee is in my view to compromise the integrity of the labour relations framework that was created by decision of parliament.

Finally, a word about the need for increasing resources in the Office of the Law Clerk and Parliamentary Counsel. As previous speakers have indicated, these matters are basic administrative issues and, as such, must be dealt with by the Board of Internal Economy.

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I specifically draw to your attention the ruling given on October 23, 1997, with regard to a similar question of privilege raised by the hon. member for Sarnia—Lambton. My predecessor, Mr. Speaker Parent, stated at page 1,003 of *Debates* the following:

When dealing with similar questions, my predecessors have repeatedly indicated that these should be brought to the attention of the Board of Internal Economy and should not be raised on the floor of the House as a point of order nor as a question of privilege.

[*Translation*]

I take very seriously the ongoing concerns many hon. members have regarding legislative counsel and I must reiterate that these concerns have been brought to the attention of the Board of Internal Economy and are being dealt with.

[*English*]

In summary, then, the Chair finds that there is no prima facie case of privilege in this instance. I hope that I have been able to throw some light on this complex series of unfortunate circumstances while respecting the confidentiality of information entrusted to me as a member of the Board of Internal Economy.

● (1515)

In closing, I would entreat all hon. members to proceed with caution when dealing with staff relations matters. If we find that the procedures for remedy and redress are inadequate, then by all means let us address what is lacking in the existing safeguards and take corrective measures, but let us be wary of situations where we are asked to step into the role of ad hoc arbiters on individual cases.

I thank all hon. members for their contributions and assistance on this important question.

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## GOVERNMENT ORDERS

[*English*]

### EMPLOYMENT INSURANCE ACT

The House resumed consideration of the motion that Bill C-2, an act to amend the Employment Insurance Act and the Employment Insurance (Fishing) Regulations, be read the second time and referred to a committee.

**Mr. Joe McGuire (Egmont, Lib.):** Mr. Speaker, before I begin my remarks I would like to congratulate you on your election to the

chair. I believe you are the third elected Speaker that we have had in the history of the country.

I would also like to take the opportunity to thank the voters of Egmont for returning me for the fourth time in the last general election. I believe we came into the House at the same time, Mr. Speaker, so we must have been doing something right for our constituents.

This is the fourth time the people of Egmont voted for me. I am both humble and grateful that they bestowed the honour upon me. The riding of Egmont extends from the new city of Summerside on the eastern boundary all the way west to the North Cape. With the exception of the aerospace industry in Summerside, most of the industries in the riding of Egmont are seasonal in nature.

It is a very important fishing area of Atlantic Canada, with 12 small craft harbours in existence and a very lucrative lobster industry. Farming is a very important part of the economy of my riding with exceptional potato producing areas and dairy and swine industries. Forestry plays a smaller but vital role. Tourism is an ever growing part of the economy of Egmont. The construction industry also plays a vital role in the riding.

The unemployment insurance program is a vital program for the people of my riding because most of the industries are seasonal in nature. They must have this program in order to survive.

As I stated earlier, I have been here 12 years and I have seen the evolution of this file, the EI-UI debate, through the previous Conservative government and our own EI bill. Now, as a newly appointed member of the HRD standing committee, I will be playing a closer role with the program to see that it becomes a more responsive program for the people of Canada.

I heard people say how unfortunate it was to have time allocation invoked to get the bill through the House, even after we have gone through the last two federal elections with EI being one of the more prominent issues in the election debates. Both times the people of Canada have returned this government. They must be supporting our concept of employment insurance much better than the proposals that were set forth by the Conservatives, the Alliance, the Bloc Quebecois or the NDP governments.

Maritimers have also heard criticism that perhaps Atlantic Canadians should go to where the jobs are. The most mobile people in Canada are the people from Atlantic Canada. If we were to go to the oil fields of Alberta, for example, we would find that most of the workers there are maritimers. If we were to go to Fort McMurray, we would see that over half the population of that city comes from Newfoundland and other parts of Atlantic Canada.

We always respond to where the jobs are and have done so since Confederation, whether it was out immigration to the Boston states as we call them, or to Toronto when there were job opportunities, or



to Vancouver when there were job opportunities or to Alberta where there are job opportunities now.

I know people who work the seasonal industries in my province. In the fishing industry, for example, workers fish during the spring and summer. They go to Alberta to work the rest of the year. Then they return to Atlantic Canada to go back to the jobs where they grew up as sons of fishermen, hoping one day to replace their parents in the fishing industry.

● (1520)

Critics of the government claim that the contents of Bill C-2 represent backtracking on the reforms introduced in 1996. Nothing could be further from the truth. The government promised that if a monitoring process indicated that the changes were not producing the desired results, then legislation would be changed. Today this is what we are doing. We have found that the bill, as passed by the House a number of years ago, has a number of flaws in it. We are moving to correct those flaws.

It was generally agreed during the early days of this government that the unemployment insurance scheme needed to be replaced. It did not respond to the new economy in the 21st century. After much consultation with Canadians and despite the outraged cries of the opposition, some of whom did not want an EI program at all and others who wanted a guaranteed annual income, the government brought in a program to replace the old regime with the employment insurance program.

The new plan was designed to be sustainable, to be fairer, to encourage work, to reduce dependence on benefits, to assist those most in need and to help workers get back to work and stay at work. The program was implemented with the knowledge that being new it would not necessarily be perfect. We knew that with time we would likely identify areas requiring improvement. The legislation allowed for a period of continuous monitoring and assessment of the program to measure its impact on people, communities and the economy.

This is not the first time that adjustments to the EI regime have proven necessary. The government acted quickly in 1997 to launch a small weeks project in order to correct a disincentive for some people to work weeks with low earnings.

As the member for the area who identified the weakness, I knew that potato grading companies could not find workers. If people came into the potato warehouses for one, two or three days during the week, their benefits would be cut in half by their response to that call to go to work. This obviously was a disincentive to get people to work. We immediately moved to correct that.

Our studies and discussions with Canadians have shown us that many parts of the EI program are working well. There are some

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provisions that have proven ineffective, particularly toward seasonal workers. We have always had and we will always have seasonal industries. These industries are vital to our economic well-being.

On Prince Edward Island, in Prince county alone, 65% of the workforce works less than a 12 month period in one year. I take offence with anyone who suggests that these changes will simply make it profitable for industries to gear up for a short season. I would like to comment that the seasonal businesses which are profitable, when they have such a short window of opportunity, are very fortunate.

It should be noted that seasonality is determined by a much higher power. If mother nature did not co-operate these businesses could no longer be profitable and the basic existence of many of them would be put into jeopardy.

As for the employees, if the EI program was not in place what would they do to support their families without an income? We are talking about the reality of seasonal workers across Canada, not just in Atlantic Canada. Because these industries by definition employ people for only part of the year, we must always remain watchful to ensure that our economic and social programs do not exclude these people from living and working.

While EI aims at helping all unemployed workers, we must also recognize that some groups, such as seasonal workers, have particular needs and the program has special features built in to benefit seasonal workers across the country.

The hours based system, for example, takes into account the fact that seasonal work often involves long hours of work per week. It also identifies a sector of the workforce, even with part time work over the full year, that can now qualify. For example, an employee who works in a seasonal job can accumulate hours in smaller numbers in the pre and post season in order to qualify for benefits which previously he or she was not entitled to.

As I have mentioned, one of the intentions of the EI program is to reduce dependence on benefits by all Canadian workers, including seasonal workers. The so-called intensity rule was therefore introduced to discourage use of EI benefits by reducing the benefit rate of frequent claimants.

● (1525)

The unavoidable fact is that many seasonal workers have no choice but to resort to EI benefits. There simply are not enough job opportunities available to them in the off season. That is why Bill C-2 proposes removal of the intensity rule. This translates into a maximum of \$988 for a 26 week period and \$1,710 for a maximum 45 week claim in the pockets of Canadians. If there was a maximum claim of 26 weeks, they would only get \$40 more a week



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when the intensity rule is dropped. It may not seem like a very large amount of money, but for someone making \$200 a week this represents a very large portion of that person's income.

I encourage all members to support this program and get these measures through as quickly as possible for the benefit of all seasonal workers in Canada.

[*Translation*]

**Ms. Francine Lalonde (Mercier, BQ):** Mr. Speaker, this bill is shameful. I admit that it brings slight improvements to the so-called reform we began talking about in 1994. Through this reform, the unemployment insurance plan, which actually needed to be reviewed but not transformed nor diminished, has in fact become a plan whereby the government gets richer but people in need get poorer.

This bill, not the one we have now but the one which became the so-called unemployment insurance reform act, was renamed employment insurance plan without any consideration for what is actually going on.

I admit that the unemployment rate has dropped, but if it has gone down, it is largely because the Canadian economy has been pulled along by the American economy. However, the unemployed who continued to suffer from not being able to find a decent or permanent job have been badly hurt by the new employment insurance plan.

The public must realize that the government is introducing in the House a bill proposing slight improvements by reducing cuts which should never have occurred and which total around 8% of benefits paid.

What is the government really aiming at through these slight improvements? It wants to gain full control over the fund, which contains a surplus of \$36 billion to \$38 billion—we will know the exact amount soon—taken from the incomes of workers and businesses.

Again, these contributions are paid up to a maximum of \$39,000 of gains earned by workers and up to \$39,000 paid by businesses. Beyond that limit, there are no contributions to employment insurance. This means that the \$37-\$38 billion, which went in full to eliminating the deficit, was paid for by low and middle income people, but mostly by small and medium size businesses.

• (1530)

They were paid mostly by these people. Higher wage earners pay a smaller percentage of their income in EI premiums, as do capital-intensive businesses, which pay their employees high wages.

The government should take over, push the commission aside and decide on its own—that is how it was supposed to be—that the level of the premiums should be. This is some very bad news that will only make people more cynical.

To make it look like the money will really be used for specific purposes, EI or Deductions for EI purposes is written on paycheques.

Ever since employment insurance has been in effect, the number of eligible recipients has decreased significantly, almost by half, but what is even worse is that the hardest hit were young people.

I have heard members make eloquent statements in this House to the effect that young Canadians need jobs. Yes, absolutely. However, the EI system is designed to ensure that, between jobs, no one has to go on welfare or take just any job because they need money. That is no way for young people to start building a future for themselves.

This bill will bring the benefits of seasonal workers back to the same level as those of all unemployed. This is good news. It was necessary. We strongly opposed this penalty imposed on seasonal workers, which was part of the employment insurance reform, but we also know that this was not a coincidence and that the government refused to listen not only to those affected but also to those who worked with the seasonal workers in those regions.

As members of the Standing Committee on Human Resources Development, we knew that those in charge of unemployment insurance were targeting seasonal workers. They thought that by penalizing them they would force them to relocate.

Not all workers in Newfoundland are prepared to relocate. I heard many men and women say that they wanted to raise their children with dignity on their own land. What those at the highest levels wanted was to force these people to move away and look for work in regions where work was available.

This bill proposes modest improvements regarding the employment insurance eligibility of women about to give birth, but there are huge flaws in this system.

I am sorry to say that the fundamental problem for seasonal workers is not that their benefits declined from 55% to 50% of their salary, which is serious; it is the reduction in the number of benefit weeks, which creates a 4-, 5-, 6- or 7-week gap, as they call it in that region, when they do not have any income at all. It is the reduction in the number of weeks that penalized seasonal workers most, and this bill does nothing about that.

• (1535)

As for pregnant women who want to draw on the plan, was the required number of work weeks brought back to a decent level? No, not at all. The plan, which has been lowered to 600 hours, still has this requirement, which totally excludes many women, not to speak of self-employed women.

This bill, which provides for slight improvements, has huge gaps. In particular, it allows the government to lay its hands on money that is not its own. The government should at least

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recognize that it is indebted to the people and state that it will put this money at the workers' disposal if they ever need it because of a recession. What we are proposing is a true reform.

[*English*]

**Mr. Loyola Hearn (St. John's West, PC):** Mr. Speaker, it is certainly a pleasure to be able to say a few words on the bill, which certainly affects rural areas more than the more lucrative urban areas, and perhaps areas like Atlantic Canada and parts of Quebec more than any other area of the country.

There are a few changes in the bill that are looked upon as being positive, one of them being the throwing out of what we call the intensity rule and reverting to letting people who draw employment insurance draw 55% of their regular wage. That in itself is a bit deceptive and I will comment on that.

The ability for family members to get back into the workplace after staying off because of the birth of children without having to be looked upon as new entrants certainly is positive. The minor changes to the clawback arrangements will also benefit some of those at the higher end.

However, the people who are affected most by employment insurance are the ones who receive no reprieve at all from the new legislation.

There are three issues that should have been addressed in the bill and have not been addressed. The first issue is what we call the divisor rule. It is bad enough to see a person who is generally living and working in an area where unemployment is meagre and quite often where the wage is low having to resort to drawing employment insurance knowing that he or she will start with only 55% of what he or she normally makes.

If the intensity rule had not been changed, people would have drawn less as each year went by. However, besides drawing just 55%, they find their week's work is not what is divided into the total income. The number of weeks is, as we say, exaggerated. The divisor rule means that for somebody who obtains 12 weeks or 420 hours, when the amount of money that person should receive is factored in, the total income is divided by 14. This means the individual is getting much less than the 55%, which appears on the surface. That rule is completely unfair and should have been eliminated.

The second concern is the 420 hour minimum in areas of high unemployment and the 520 hour minimum in areas of low unemployment.

• (1540)

There are pockets in the country that depend entirely on seasonal employment. Occasionally these people do relatively well. There

may be an exceptionally good fishery, a good construction season, or a good year in forestry. That is the exception lately rather than the rule, for a number of reasons.

The mismanagement of the fishery, and perhaps we could say the mismanagement of our forestry resources to some extent, has led to very meagre employment. The lack of concern for the processing end of our fishery means that we are seeing a lot of our resource going out of our provinces and out of our country in a non-processed or semi-processed state.

This means there is less work for the people involved. This past year in Newfoundland, for example, the main source of work in the various fish plants was processing crab, which has replaced cod as the most lucrative species now caught and processed in our province. However this past year saw a 15% to 20% cut across the board in relation to quotas, which meant 20% less work for people working in our fish plants.

Along with that the markets this past year, in particular the Japanese market, dictated that the commodity they wanted was crab sections rather than the extruded crab meat, the main product exported over the last  $x$  number of years. Sending the crab out in sections meant less work for the people who worked in our plants. Mechanization has also eliminated a number of jobs. Consequently we saw people who worked in our fish plants receive much less work this year than previously, not because of their fault but because of resource, market demands and mechanization, which is attributable to the employers.

Teachers have also been affected. Because of what is happening in our education system with consolidation and tightening up of belts economically, we see a lot of substitute teachers who no longer even get work enough to qualify for employment insurance.

There are times in certain parts of the country where conditions are completely outside the control of the individuals involved. It is practically impossible for the average seasonal worker to obtain enough employment to qualify for employment insurance.

I am certainly not advocating that we return to the old 10-52 method: if they obtained 10 weeks of work and a few hours each week they could qualify to draw employment insurance for the rest of the year. I do not think anyone is advocating that, but the pendulum has swung too far.

During the election campaign the Prime Minister apologized to working people in New Brunswick, especially seasonal workers, for a mistake that was made some years ago when new employment insurance regulations were brought in. Instead of changing them last fall before the election, he ran the election promising to make the changes. Now we have the bill before the House. The changes that were brought in last fall are still the same ones.

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Despite the fact that many people expressed concern during the election, there have been a few minor amendments, but the real changes that would affect people in the areas where they are hurting most have not been made.

The hours required are too stringent in certain parts of the country during periods when there are downturns. In the construction industry, for example, because of lack of input from federal and provincial governments into the great infrastructure agreements we hear about, the hours fail to materialize or the money is spread so thinly that many smaller regions cannot avail themselves of it.

• (1545)

In terms of federal-provincial-municipal cost sharing, most small municipalities, because of the financial situations they face, cannot avail themselves of the infrastructure agreements. They cannot come up with their share of the total input.

These areas are hit extremely hard. There should be provision in the new legislation to modify the regulations during times when working conditions, lack of resources or whatever make it impossible for seasonal workers in those areas to obtain enough employment to qualify for employment insurance.

Another concern is the length of time. We are not advocating the 10-52, but we are finding that as people continue to draw employment insurance, as they always will in the areas with seasonal employment, it is getting to the point where they find themselves with absolutely no income during the periods of the year when it is needed most. Quite often the employment insurance benefits end in March or April during times when heating costs are extremely high and when the cost of living in rural areas is extremely high.

These issues should be addressed in the new legislation. I certainly hope that the minister takes them into account as she reviews and hopefully provides us with amendments that we can all pass.

**Ms. Judy Sgro (York West, Lib.):** Mr. Speaker, I take this opportunity to congratulate you on your new position. I am sure you will serve the House well, and I hope you enjoy it. I also thank the constituents of York West, my family and staff for their support in the November 27 election. I am glad to be back and very pleased to speak in favour of the bill today.

We on this side of the House know how important the EI system is to Canadians. That is why we feel really good about reintroducing the bill that was presented and debated in the House last fall. I had an opportunity to be a part of that.

Canadians showed us in the last election that they agreed with the direction we are taking. We also know how important it is that we in government monitor EI and make sure that it continues to do

what it was meant to do: to help those who are out of work. That is why I support Bill C-2.

The legislation is a result of the government's ongoing monitoring of EI. It recognizes the need for EI to keep up to date with the realities of the Canadian economy. The government recognizes there were needs for changes in the bill.

About four years ago the government introduced major changes to the old unemployment insurance program. At that time we wanted to change a variety of things. We wanted to make the system fairer, reduce dependency, lower program costs, and emphasize active employment measures that would help get Canadians back to work.

The basic objective of that reform was to produce a system of employment insurance that would support Canadians in times when they were without work, but that would also encourage and support them to get back into the workforce as soon and as effectively as possible.

By and large that reform process worked very well. Measures like the new hours based eligibility system opened up access to EI for workers who had not previously qualified, such as multiple job holders who may be working a few hours for several employers. Many women who are employed in those part time jobs now qualify for EI if they need it.

At the same time new partnerships have been formed with other levels of government and with the private sector to help people prepare for and find jobs. The EI system was strengthened and improved by the reform. The economy has also improved since that time. On a national basis we are experiencing very positive economic circumstances. The national unemployment rate is down. More people are working in Canada than ever before.

Generally speaking, Canadians have never been more prosperous and our economic development has never been more robust. However not all Canadians have benefited from this renewed prosperity. Some regions of the country continue to have high unemployment rates. Seasonal workers, in particular, report that they continue to have difficulty finding work in their off season in their community. Many of these seasonal workers are being affected by one of the measures introduced with the EI bill in 1996, the so-called intensity rule.

• (1550)

The intensity rule was originally put in place to reduce dependency on EI and to encourage repeat claimants to find work. Unfortunately the intensity rule reduces the EI benefit rate for repeat claimants. The rate goes down by one percentage point for every 20 weeks of regular benefits collected in the past five years. The impact can reduce benefits paid to repeat claimants from the normal level of 55% to 50%.

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The intensity rule was brought in because Canadians were concerned about people becoming too dependent on the employment insurance program. However, it turns out that the intensity rule is achieving little in terms of reducing dependency and increasing work effort. Our research has found that the intensity rule has not curtailed repeated EI use, particularly in areas where there are few job opportunities.

Despite tremendous employment gains in many parts of the country, there is still high unemployment in some regions and seasonal workers find it difficult to find off season jobs. There is a growing concern that the intensity rule has become more of a penalty on seasonal workers instead of an incentive to find work as originally intended. This is a situation that the government recognizes needs to be fixed.

How do we fix it? We eliminate the intensity rule as proposed in Bill C-2. It will remove the penalty imposed on Canadians who happen to live in areas with very limited opportunities for work.

Who will benefit? Canadians will benefit in every province and territory. We have heard about the benefits that it will bring to Atlantic Canada, and this is good news. However, it is also important to remember that claimants from Atlantic Canada account for less than 20% of the EI claims in any given year. This will help people everywhere in Canada.

In reality, seasonal employment is a fact of life all across Canada and there are many regions where alternative employment is difficult to find. We can ask construction workers in central Canada how they feel about this, or workers in the forest products industries in the western part of Canada, or the many seasonal workers in Quebec or the north. In truth, removing the intensity rule will provide economic benefits that will be welcomed throughout the country.

At the same time, we know that EI is only part of the solution. We will continue to work hard with provinces and territories and with businesses and community leaders to stimulate local economies because the best solution to unemployment is employment.

I will proudly vote for the legislation and I urge all of my colleagues in the House to do the same.

[*Translation*]

**Ms. Diane Bourgeois (Terrebonne—Blainville, BQ):** Mr. Speaker, it is not only as the Bloc Québécois critic for the status of women that I rise this afternoon in the House, but also as a woman who has paid employment insurance premiums all her life and who has never been able to get any benefits.

During my maiden speech in the House, reacting to the throne speech, I said that the Liberal government does not care about the realities and the hardships of Canadians and Quebecers.

I would again like to quote a sentence that caught my attention when Her Excellency, the Governor General of Canada, the Honourable Adrienne Clarkson, read the throne speech, where the intention of the Liberal government to “secure a higher quality of life for all Canadians” is expressed.

The first real evidence of this true intention to secure a higher quality of life was the minister’s reform proposing a plan that is completely out of sync with the new social and economic realities of women living in Canada as well as in Quebec.

The minister knows very well that the first persons to be penalized by her new reform are the women, more than 70% of whom have precarious jobs and frequently rely on employment insurance because they cannot find a stable and well paid job.

• (1555)

Too often, these women are the sole support of a single parent family. They do not have a stable job, but must nonetheless support their children, feed them, clothe them and give them a good education, and they would certainly have wished for a little more compassion from the minister.

There are also some sections of the Employment Insurance Act that discriminate against women. Let me explain.

To be eligible for maternity or parental benefits, one needs 600 hours of work, while someone working in a high unemployment area can be eligible for EI benefits with only 420 hours of work. A woman living in the same area would need 600 hours to be eligible for maternity benefits. Previously, the requirement was for 300 hours or 20 hours spread over 15 weeks.

Moreover, the new eligibility criteria for parental leave are unfair to women who were supposed to give birth after January 1 and asked for parental leave but were unfortunate enough to have their child before that date. They cannot ask for the 35 week parental leave because there is no flexibility in the act. It is not their fault if they had their child at the beginning of December even though they were not expected to give birth until January 15.

What happens then? Did the government think about the adverse effects of this situation for these women and their families? Did the government not think that these women were also hoping to benefit from the new measures, however limited they may be, just like other women? What about the thousands of self-employed workers who were also forgotten?

According to Statistics Canada, self-employed workers account for 18% to 20% of the total workforce. The monitoring and assessment report confirms that this category of workers is experiencing strong growth.



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Yet, these workers are still excluded from the employment insurance plan. We also know that women account for over 40% of these self-employed workers. Almost one worker in five is not covered by the new employment insurance plan merely because of the nature of his or her work, and that group is constantly growing in Canada.

Earlier, I said that some workers were forgotten, excluded from the act. There is no question that the Liberal government and the Minister of Human Resources Development lack vision and are not very familiar with the realities of the labour market.

Yet, in an HRDC release dated February 12, 1998, the then Minister of Human Resources Development and current Minister for International Trade said that one of the objectives of the employment insurance reform was to adapt the plan to the new realities of the labour market. The following is an excerpt from that release:

The objectives of the employment insurance reform were to reduce costs and modernize the plan to better reflect the social and economic realities facing all Canadians.

This is not what is happening, because self-employment is also part of the new social and economic realities.

The Liberal government and the minister are also acting in bad faith. During the last election campaign, the Prime Minister himself said the following during an interview given to the *Canadian Press*:

We realized that it was not a good decision in the sense that we should not have done it.

The Prime Minister was referring to the cuts made by his government to the employment insurance plan.

• (1600)

Even Minister Coderre said “After a majority Liberal government is elected, we are going to re-establish the process and ensure that the changes are appropriate and respond in large part to the realities and needs of the population”.

Employment insurance has become a privilege for the women of Quebec and of Canada. This is why the Bloc Québécois concludes that employment insurance reform has been a double, nay, a triple, failure.

With a view to shouldering greater responsibility for the disadvantaged, a fair and equitable distribution of the billions of dollars in the employment insurance fund in the hands of the Liberal government, with a view to taking into consideration the endlessly increasing numbers of people living below the poverty line, with a view to helping poor families in desperate and terribly urgent need, with a view to providing the children of Quebec and of Canada with

three meals a day, the Bloc Québécois would have preferred the government to have presented two separate bills.

The first of these would focus on dealing with the urgent situations to which I have referred, like the mothers of premature babies who cannot take advantage of the new provisions. The second would concentrate on administration of the employment insurance fund. This approach would provide a prompt response to the needs of the forgotten members of society, while leaving the more technical matters to be debated in committee.

In its desire to share the wealth, and in its great magnanimity, the government prefers to get its hands immediately on the huge surplus in the fund, and to forget about the people, to forget about all its fine promises, to forget about the dire living conditions into which it is forcing families in need in Quebec and in the rest of Canada.

I again call upon the government on behalf of my colleagues in the Bloc Québécois for justice and social equity. Rest assured that the Bloc Québécois is still prepared to pass improvements to the program quickly, separate from the debate on administration of the fund.

**The Acting Speaker (Mr. Bélair):** I would like to remind my colleagues, especially the new members, that they should not refer to other members in the House by their names. Ministers should be referred to by their departments and other members by the names of their ridings.

[English]

**Mr. John McKay (Scarborough East, Lib.):** Mr. Speaker, I would be remiss if I did not congratulate you on your appointment. I hope that you enjoy your appointment and that you find these speeches utterly fascinating.

I am somewhat reluctant to get into this subject because I am from Toronto. Toronto is of course the place that everyone loves to hate. Indeed, there are times when my colleagues, particularly those from the maritimes, express some sentiments that, shall we say, may not be Toronto-friendly.

Let me take a few moments to discuss the goals of EI and how changes in the bill support those goals.

As the House knows, the unemployment insurance act was first designed in 1940 as a safety net and as an income support for Canadians temporarily out of work. Since then it has evolved. It has allowed workers and their families to remain attached to the labour market, staving off, in many cases, a period of dislocation and financial worry.

Over the years, it has changed dramatically. Our employment insurance system has become a far more sophisticated entity as it attempts to respond to market realities. Some of the changes to EI

actually resulted in market distortions and had to be addressed. In 1996 we updated the system to better reflect market realities.

The objectives of our EI reform were to make the system fair, reduce dependency, help low income families, ensure the program was sustainable, encourage active employment and reduce market distortions. There were a number of bizarre situations wherein clearly it was better to be on EI. We would therefore have the ironic situation of EI creating unemployment rather than creating employment.

• (1605)

Many of these goals have been achieved and are as important today as they were in 1996. We promised Canadians that we would carefully monitor and assess the changes to see if they were working as intended. In fact that is in the legislation. We always promised to make adjustments as needed, and the time has arrived. Since the reform it is clear that many elements such as the divisor rule and the family supplement are working well and that other parts of the program need some fine tuning.

We listened carefully to the concerns of Canadians about the EI program. In fact, as other members have pointed out, this was an election issue during the last two or three elections. Members such as the hon. member for Fredericton have articulated concerns here and elsewhere that are reflected in the bill. Canadians have told us about some of their difficulties with some elements of EI. Some elements need adjustment to ensure the effectiveness of the program. We have responded with concrete and progressive changes that reflect today's economic realities.

The clawback was originally implemented to discourage high income claimants from claiming benefits year after year. The member for Mississauga West repeatedly pointed out in the House and elsewhere that the threshold was far too low. Once the bill is passed it will raise the net income level at which clawback applies for repeat claimants from \$39,000 to \$48,750. In future only higher income Canadians will face repayment.

Middle income workers who need to claim EI will have more money to spend because we are raising the income threshold at which clawback begins. The vast majority of middle income earners have contributed to the system all of their lives without ever drawing benefits. Yet under the current system, we claw back the very first time an individual makes a claim. This is using a sledgehammer to kill a fly. By definition first time claimants are not dependent on EI. They are not the people who are using EI as an income supplement.

We are also removing the clawback for those collecting special benefits. Pregnancy or illness should not affect one's entitlement. Special benefits are designed for Canadians who are too sick to work and for those who stay at home to care for a newborn or an

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adopted child. These are not the people using EI as an annual income supplement and there is certainly no reason to penalize new parents or people who are too sick to work.

By changing the clawback provision we will be helping three broad groups of Canadians. First, middle income groups will benefit primarily due to the change in the threshold. Second, Canadians receiving special benefits will no longer have to repay any of those benefits. Third, first time claimants will be exempt from benefit repayment.

In addition the bill would eliminate the intensity rule. The rule provided that the more frequent a claim, the greater the reduction in the percentage benefit to which one was entitled. The rule has proven to be ineffective with the unintended consequence of being punitive. The elimination of this rule should be of the greatest benefit to seasonal workers.

Simultaneously it is hoped that the raising of the clawback and the elimination of the intensity rule will not mean a return to business as usual. Employment insurance cannot be a substitute for a job. It cannot make it impossible for a low wage employer to set up shop in a region. A prospective employer should not find himself or herself competing with EI. Otherwise it becomes self-defeating.

We should look at the reduction in EI premiums from \$3.07 to \$2.25. Every 10 cents costs the federal treasury \$700 million, cumulatively a \$6.4 billion tax reduction.

Some say that the government has eliminated the deficit and is now paying off the national debt on the backs of the workers. It is true that EI is going into general revenues and for good reason. There is no separate bank account for EI when times get tough, which they will sooner or later. All taxpayers of Canada, whether they are employers or employees, will be obligated to unemployed workers. There is no better guarantor than the Government of Canada.

• (1610)

Canadians in every province and territory will benefit from the improvements to the Employment Insurance Act. The changes are in keeping with the values that Canadians hold dear, values like taking care of each other and looking out for one another in times of need.

When we designed the employment insurance system, we wanted to do more than just merely insure people's wages. We wanted to get them back to work. However a concern echoed by many Canadians is that the design that we have can be improved.

The bill is about ensuring that the system continues to work well and is responsive to those who are most in need. It is about ensuring that the system responds to the needs and realities of

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working people. The bottom line is that EI must be there for Canadians. It must be there for those people who have contributed and who now need our help.

Taken together, the changes to the intensity rule and the claw-back will improve our ability to address the original goals of EI, which were to ensure fairness, to help people return to work quickly and to reduce dependency without penalizing those most in need.

The simple fact is that our employment insurance reforms were in the right direction and these reforms are even more in the right direction. Employment insurance is working but it will always be a work in progress.

I would like to specifically acknowledge the members for Fredericton and Mississauga West, who in our caucus repeatedly brought forward these issues. I congratulate the relevant ministers on their willingness to be responsive to members of caucus and indeed members of the House.

That is why I will be voting for the bill and I would encourage other members to do so as well.

[*Translation*]

**Mr. Stéphan Tremblay (Lac-Saint-Jean—Saguenay, BQ):** Mr. Speaker, I am very excited to rise today for two reasons, one being that it is the first opportunity I have to speak in the House since I was re-elected. The other reason has to do with the relevance and importance of the employment insurance issue to my region.

I rise not only as a parliamentarian, but also as a former bush pilot who has had to rely on employment insurance in the past. I will put the problem in context.

What we have experienced in the Saguenay—Lac-Saint-Jean area since last July has to do with the fact that, under the act, employment insurance zones have to be reviewed every five years. I did not lose any time in making representations, saying that the status quo had to be maintained, which meant that people had to work a minimum of 420 hours to be eligible for 33 weeks of benefits. I was not the only one thinking this way, since other parliamentary colleagues shared that opinion.

In my region, Human Resources Development Canada, through its economist, recommended to the minister that the status quo be maintained. Why? Not just for the sake of it, but rather because it matched the reality of our region.

To our surprise, when the HRDC data were made public on July 1, it was not 420 hours any more that people needed to work to qualify for 33 weeks of benefits but rather 525 hours, and for how many weeks?

**Mr. Gérard Asselin:** Twenty-one weeks.

**Mr. Stéphan Tremblay:** My colleague from Charlevoix, who faces the same situation in his riding, knows it is for 21 weeks.

This might seem like a very innocent series of figures for members here in the House, but for many families, many workers and many employers, these figures can have major implications.

I have tried to determine the loss of potential revenue for my region, statistically, as far as the money and the premiums we pay are concerned. As a good member of parliament, I thought “I will go get this information”. I contacted the HRDC economist. Who did he refer me to? To the department’s chief actuary in Ottawa, who came to the riding to explain why this unexpected change was made, in summer when everybody was on holidays.

Much to my disappointment, we did not get any appropriate answer. The officials from the department led us to believe that it was the employability figures that explained the new ways of doing things. In short, it was a completely unsatisfactory argument.

• (1615)

Of course, people protested, not only in my riding but in the riding of my colleague from Charlevoix. They were also protesting from the north shore, the Lower St. Lawrence and the Gaspé Peninsula, where the same situation prevailed. In view of the flurry of protests, but also, probably and unfortunately, because there was a general election in the offing, the minister concluded that transitional measures were necessary.

Why did we need transitional measures? So that our workers could get used to it. I completely disagree with the idea that workers have to get used to poverty. This is totally unacceptable to me. Nobody can get used to poverty, and we will see more of it with this legislation and the new regional realities.

I was talking with the minister and she told me “Stéphan, the solution is not unemployment but employment”. I totally agree. I too believe that employment is the solution.

In this country, in certain sectors, as we can see in my region or in my colleague’s region, the reality and the economic structure are such that employment insurance is a tool of development, since it makes up for deficiencies related to our economic structure.

In the tourism industry, for example, summer is the high season. Unfortunately, the season is rather short. Some would say that the season should be extended. We are working on it. Serge Plourde, the president of the Association touristique régionale, was telling me that the government must absolutely understand that keeping these new regulations, which make employment insurance less and less accessible, will have major impacts on the tourism industry. People are unable to qualify or to make ends meet.

Come February, when no more income is coming in and you do not qualify for social assistance because you own a house or a car, what are you supposed to live on? Air? That is what is going to happen. According to the tourism industry, this will result in an increase in employee turnover, which will have a serious impact on a fast expanding industry that is trying to extend the season, as many would like it to do.

The same is true in agriculture and the forestry industry. There is no way to prevent the ground from freezing. It is unfortunate, but that is the way it is. I am a former bush pilot, and in the bush, we land on water. When the lakes freeze, the season is dead. That is the way it is.

The government has to take its role seriously in committee. The Secretary of State for Amateur Sport mentioned this in the election. Right off, the government said it was prepared to further relax its bill, to use the words of the secretary of state, "if well reasoned and justified arguments are brought forward".

If my fellow citizens are given the opportunity to explain in committee, I promise that they will provide well reasoned and justified arguments.

In the same vein, the Secretary of State for Amateur Sport made a personal commitment to apply corrective measures to the Employment Insurance Act. He said, moreover:

Once a Liberal majority is elected—

I think this is what we have here.

—we will reinstate the process and make sure that the changes are effective and meet the needs, for the most part, of the people of the Saguenay—Lac-Saint-Jean and Canadians as a whole. . . I have made a commitment to change the law and we will see to it.

The Saguenay—Lac-Saint-Jean, that is my home. I would be prepared, perhaps, to forgive a government that imposed time allocation today in the context of this very important debate if it were responsible and in committee the public had the opportunity to speak and present well reasoned and justified arguments.

What I find hard to justify is that on July 1, 2000 the government introduced a new measure that for the people at home brings big changes. Why did the government want to cut employment insurance? It is all the harder to comprehend given that the fund's coffers are overflowing. We are not in difficult economic times. We will be, in the Saguenay—Lac-Saint-Jean region, because this will have phenomenal consequences, not only for the workers, but for the employers as well.

● (1620)

During the election campaign, business people were telling me "Stéphan, the government must absolutely understand this reality, because there are going to be serious economic consequences".

I have a lot of sympathy for people who will have to live on a shoestring this winter, but I also have sympathy for employers who will have difficulty keeping their employees. If the government wants very economic arguments, we will give some.

### *Business of the House*

I have been very interested in the issue of globalization for several years. This issue is getting more and more important, and I am very pleased. I think this, as well as our role as parliamentarians in the House, might be the subject of another debate. What must we do in the context of globalization?

I am not against globalization. I am against certain forms of globalization, and I will mention one. In its strategy for employment, the Organization for Economic Co-operation and Development said:

To increase labour market flexibility in a number of countries, it is essential to reduce the largesse of compensation under unemployment and other social benefits, and to limit access to these programs.

It also states:

Canada is the only country that seems to have applied the recommendations made during the first series of reviews.

What is governing us? Is it consistent and sensible economic strategies or a bunch of bureaucrats in international organizations who make recommendations on employment that are absolutely inadequate and totally out of touch with the reality in our regions?

I hope we will be able to seriously debate this in committee.

\* \* \*

[English]

### BUSINESS OF THE HOUSE

**Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, there have been consultations with all parties in the House through their leaders and I believe you would find consent for the following order governing the proceedings for the visit of the Prime Minister of the United Kingdom on February 22:

That, notwithstanding any Standing or Special Order, the House shall meet on Thursday, February 22, 2001 at 2 p.m. and the order of business shall be the same as on a Wednesday;

That the Address of the Prime Minister of the United Kingdom, to be delivered in the House Chamber on that day before Members of the Senate and of the House of Commons, together with all introductory and related remarks, be printed as an appendix to the House of Commons Debates for that day and form part of the records of the House; and

That media recording and transmission of such address, introductory and related remarks, be authorized pursuant to established guidelines for such occasions.

**The Acting Speaker (Mr. Bélair):** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

(Motion agreed to)



*Government Orders***EMPLOYMENT INSURANCE ACT**

The House resumed consideration of the motion that Bill C-2, an act to amend the Employment Insurance Act and the Employment Insurance (Fishing) Regulations, be read the second time and referred to a committee.

**Mr. Bryon Wilfert (Oak Ridges, Lib.):** Mr. Speaker, I would like to congratulate you on your appointment to the chair.

It is my pleasure to speak on Bill C-2, particularly because the changes to the employment insurance legislation will make a tremendous difference in the lives of Canadian families.

As chair of the greater Toronto area caucus, I can vouch for the fact that colleagues in our caucus have been enunciating the issue for quite a while and have indicated our support for the changes, particularly with regard to the intensity rule and the clawback.

Overall we know our EI reforms are working well, but we also know that we need to update the system to better meet the needs of working families.

The vast majority of Canada's working families confront a broad range of challenges that they cannot easily solve alone. Today many mothers and fathers work outside the home and discussions about child care are commonplace. There is no doubt that the workforce has changed dramatically over the past few decades and our employment insurance system must change with the changing needs.

• (1625)

When unemployment insurance was created in the 1940s most employees were male. Today women make up nearly half the workforce. In the 1940s most women stayed at home and cared for their children. Today dual income couples make up about 40% of the working population. It is a fact of modern life that both parents working is now the norm and not the exception.

At the same time the struggle to meet both work and family responsibilities is a top concern for Canadian men and women. Forty per cent of Canadian workers report a high level of work and family stress. This is significantly higher than just 10 years ago.

If we listen carefully to Canadians and their concerns about the EI program, it would seem clear that we must find new ways to make our system more responsive to the challenges facing today's families.

The government recognizes that today's parents find it difficult to balance the demands of caring for children and making a living. For children to get the best start in life, parents need the time and the resources to nurture them. This is why on December 31, 2000, we enhanced the EI parental benefits to allow a parent to stay at home with a newborn child for up to one year.

This is also why we proposed to support parents under the bill by eliminating the clawback for Canadians collecting special benefits under EI. Canadians use special benefits when they are too sick to work or when they are at home to care for their newborn or newly adopted children. We realize that the benefit repayment system was unduly limiting the assistance Canadian families could receive at a time when they needed the most help.

The clawback was designed to discourage high income earners from collecting benefits year after year, not to discourage parents from using maternity and parental benefits. We do not want to penalize parents who stay home to spend more time with their young children, or people who are too sick to work. Canadians who collect special benefits will no longer have to repay any of the benefits.

In addition, middle income Canadian workers will have more money to spend on their families because we are moving to one threshold, \$48,750 of net income. The repayment will be no more than 30% of their net income in excess of the threshold.

We are proposing to eliminate the intensity rule which reduces a person's EI benefit rate by one percentage point for every 20 weeks of benefits he or she has collected in the previous five years. Depending on the number of weeks of benefits paid in previous years, a person's benefit rate would drop from the usual 55% to 54% to a minimum of 50%.

By eliminating the intensity rule we will help workers who have to rely on EI more often than they would like because job opportunities in their communities may be scarce. These workers will no longer be penalized, which means they will have more money for their families.

The rules will also be adjusted to make it easier for parents to qualify for regular benefits after returning to the workforce following an extended absence to care for young children. In essence, the rules will make it easier for parents to qualify for EI regular benefits if they lose their job during the difficult period of transition into the labour market.

That is why we are extending the look back period for re-entrants. Claimants who have received maternity and parental benefits in the four years prior to the current look back period will require the same number of hours as other clients to be eligible for regular benefits. Combined with extended parental benefits, these further changes are good news for new parents and will give parents the choice of spending more time at home with their children.

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Finally, the EI premium rate has been reduced by 15 cents to \$2.25, putting more money into the pockets of Canadian families. This change may seem small and insignificant, but it is the seventh consecutive reduction and has translated into billions of dollars in savings for employees and employers.

These amendments enhance a number of important initiatives the government has put in place to help Canadian families.

• (1630)

In earlier EI reform, we introduced the family supplement. With the supplement, claimants from low income families with children can receive up to 80% of their insured earnings. Nearly 200,000 Canadian families benefited from this measure in 1999-2000. Another important initiative is the national child benefit, which makes it possible for families to break away from poverty. Providing more income benefits and services outside the welfare system makes easier for families to support children while remaining part of the workforce.

The bottom line is that easing financial pressures on Canadian families may lead to better environments for their children, more opportunities for parents and a better chance for the family to improve its overall quality of life.

These amendments to the employment insurance program are good news for Canada's hardworking families. They reflect our government's strong commitment to build new opportunities for Canadians that reward work and strengthen families. These changes will let thousands of mothers and fathers help care for their children during the critical first months of life. They will alleviate a major source of economic pressure on working families and they will put the country's policies more in line with the realities facing today's families.

I support these amendments and ask the House to consider them.

[*Translation*]

**Ms. Monique Guay (Laurentides, BQ):** Mr. Speaker, before getting into the heart of the matter, I would like to take a few seconds to thank the constituents of Laurentides for having once again put their trust in me.

For the third time in a row, the people of my riding have chosen me as their representative in the House of Commons. I am profoundly touched by this great vote of confidence. As I did during my two previous terms of office, I will do everything in my power to serve them as best I can. I promise to take all the necessary steps to represent their interests in this House.

I will start fulfilling that promise right away because, as usual, this government is once again trying to take us for a ride with Bill C-2.

For many years now, the employment insurance issue has been a priority for the Bloc Québécois. It is normal because the EI program helps people who are in need or who, periodically or for conjunctural reasons, have to rely on it because they have no income. We are talking mostly about self employed workers, seasonal workers, workers in regions, young people and women.

The Bloc Québécois has been fighting for years against the federal government's plan to grab the surplus in the employment insurance fund, a plan that has now become a reality with Bill C-2. Let us say it as it is: with Bill C-2, the federal government is about to literally establish and legalize the misappropriation of \$30 billion in funds. This money does not belong to it. This \$30 billion belong to the unemployed, workers and employers, period. This fund was not created to save money and to create a surplus in order to pay off the deficit and now the debt of the country.

With such a surplus in the employment insurance account, the people of Quebec and Canada were expecting major changes to the employment insurance plan. With Bill C-44, the predecessor of Bill C-2, which was introduced just before the election was called last fall, the Bloc quickly realized that such was not the case. History is repeating itself with Bill C-2, which contains only cosmetic changes. Bill C-2 is almost a carbon copy of Bill C-44. There are some minor changes here and there, but almost nothing to answer to the real needs of workers.

The Bloc Québécois has not been the only party to denounce Bill C-2. Advocacy groups for the workers and the unemployed also denounced this bill. They think that the government is not trying to resolve the real problems and that the changes proposed are far from being enough. The main problem—eligibility for the plan—remains unsolved.

In its arguments, the government is basically saying that Bill C-2 is a major reform of employment insurance, because, based on government estimates, it will cost \$200 million this year, \$450 million next year and \$500 million in 2002-03.

• (1635)

It is plain and simple hypocrisy. It is playing the people of Quebec and Canada for fools, nothing else. Just imagine a situation where I pick \$100 directly out of your pockets but, being a very generous person, I give you back \$8. That is how generous this government is. That is exactly what it wants to do with this so-called employment insurance reform. Moreover, as I said earlier, it is running away with the employment insurance fund and its \$30 billion, and the population and the Bloc Québécois should say thank you to the government? We say never.

More specifically, it means that, based on a \$6 billion a year surplus in the employment insurance fund, the government would

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only give back 8% of the amount it picks each year from the pockets of the unemployed, and we should be thankful for that?

Employment insurance has become a payroll tax, because the government refuses to give back to the unemployed and the workers what is owed to them and is continuing to accumulate surpluses at their expense.

The government obviously does not feel for the unemployed and those left behind in the employment insurance reform. The measures contained in this bill do not adequately address the problems caused by the plan, particularly as they relate to seasonal and regional workers, young people, women and self employed workers, and here is why.

To begin with, the government has clearly decided to ignore self-employed workers, yet their numbers keep increasing on the labour market. According to Statistics Canada, the percentage of self-employed workers went up from 12% in 1976 to 18% in 1999, so that nearly one worker in five is self employed. The EI plan ignores these workers. It is as if they did not exist, while there are more and more of them in the Canadian economy.

Let us talk about students now, our future, those who will forge our society of tomorrow. Our young people must have access to higher education if they are to satisfy the needs of the new economy. Between the rhetoric of this government, which claims to be very worried by our students' fate, and reality, there is a world of difference. The EI legislation does not help all our students to study, on the contrary.

As we all know, more and more students pay for their studies by working part time, and full time during the summer. They pay premiums without even being able to get any benefits under the plan.

The last census in 1996 revealed that there were more than 2.8 million full time students. The 1999 control and evaluation report states that nearly one million Canadians earned less than \$2,000, which entitled them to a refund. However, only 40% of those applied for it, 42% of whom were under 25 years of age. In other words, nearly 2.6 million students had to contribute to the EI system while trying to pay for their studies.

The EI eligibility rules are a real orphan clause. Young newcomers face more restrictions in applying for benefits. Instead of a minimum of 300 hours, that is 15 hours a week for 20 weeks, they need 910 hours, which amounts to 35 hours a week for 26 weeks. It is utterly unacceptable.

On top of that, how can one explain that, with a plan that is supposed to help those who pay premiums, benefits have dropped 28% between 1993 and 1999, and the number of people collecting regular benefits has dropped 52.4%?

How can one explain that, in 2001, having a child is something that should be penalized, according to the federal government?

For the government, having a child is something that should now be penalized. To punish mothers, the federal government and the Minister of Human Resources Development, who is a woman, have decided that, to collect the maternity or parental benefits, 600 hours will soon be required. Whereas a worker in a region with high unemployment will be entitled to benefits after 420 hours of work, a woman in the same area will have to work at least 600 hours to collect maternity benefits. Up to now, 300 hours, or 15 hours a week during 20 weeks, were required. Where is the moral sense of this government?

• (1640)

Being a responsible political party that wants to meet the needs of the unemployed and the workers, the Bloc Québécois is prepared to pass Bill C-2 quickly on one crucial condition, that it be divided into two separate bills.

The first bill, as suggested by the Bloc Québécois, would meet the urgent needs of the workers not appropriately covered under the current plan. Among other things, the Bloc Québécois would want the new bill to eliminate discrimination against younger workers and newcomers on the labour market—910 hours to qualify—to increase benefits from 55% to 60% of insurable earnings, to level the playing field for seasonal workers and to eliminate the waiting period.

The second bill would include long term measures to be debated in committee. The Bloc Québécois is in favour of an independent employment insurance fund and coverage for the self employed.

In conclusion, if the bill is not divided, there is no way that the Bloc Québécois can support such a clear misappropriation of \$30 billion from the EI fund and a discriminatory bill that is totally inconsistent with the needs of the unemployed and the workers of Quebec and Canada.

[English]

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I am very pleased to join in the debate with respect to the bill, which is designed to improve our employment insurance program so that it will be of more help to unemployed people. Like my colleague from Oak Ridges who spoke earlier, I will focus my attention on the parts of the bill that actually deal with families.

I think you know, Mr. Speaker, that this government has focused attention on children and families from when it was first elected in 1993. In fact, in the depths of the budget cutting exercise that we went through, new money was being flowed into prenatal and post-natal programs and into support for children. In my own

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riding for example, the family enrichment centre, which is now the family resource centre, received considerable new funds in those times, so the government has a record of supporting children and strengthening families. This is the sort of investment which, by the way, is even more valuable in difficult times because it allows us to invest truly in the future, our children.

In this case with respect to EI, there are a number of important changes that affect families. Already in terms of supporting children we have created the national child benefit, one of the most innovative new federal-provincial-territorial programs of the last few decades, which is aimed directly at fighting child poverty. I think members on all sides of the House agree it is something which we must tackle at this time. In terms of the EI legislation, that child benefit helps parents stay in the labour market while they are bringing up their children.

We have improved benefits and services for low income families with children. We have reduced the barriers that many low income families face in moving from social assistance to the workforce. Particularly in Ontario there are these serious barriers with this discrimination against families on social assistance, particularly when they get to the point where they can move into low paying positions so they can move up the wage scale.

The child benefit is increasing federal benefits to children by \$1.7 billion a year for low income families. This means better food, clothing and shelter for children in those families. It also means a better and fairer chance for those children.

To make sure that we can do an even better job in helping children break out of the cycle of poverty, we will provide a third significant investment in the national child benefit by the year 2001. This means that by 2004 the maximum benefit received by a low income family will increase to \$2,400 for the first child and \$2,200 for each other child.

• (1645 )

Parents in a two child family, by the year 2004, could receive up to \$4,600 to assist them in bringing up their children. Many other programs are also helping Canadian families. In this case, the EI program has a role to play. We are talking about families and keeping the parents in the workforce or, when they are out of the workforce, allowing them to get back into the workforce as effectively as possible.

One measure is the family supplement, which tops up benefits to a maximum of 80% for claimants in low income families with children. Again the emphasis is on families with children.

As of December 31, 2000, we enhanced EI parental benefits to provide parents with the flexibility to spend more time with their young children during the crucial early years of life.

The proposed changes in the bill to the EI program will take us one step further by providing more money to the families of claimants and fixing some of the problem areas that Canadians have identified in the EI program.

We have learned that the intensity rule, which was designed to reduce reliance on EI and increase incentives to work, simply has not proved to be effective. The intensity rule reduced repeat claimants' benefit rates by one percentage point for each 20 weeks of benefits claimed in the past five years. This feature has not discouraged the repeated use of EI benefits in part because many workers in areas of high unemployment simply cannot find other jobs in the off season.

The bill before us proposes to eliminate the intensity rule altogether. I campaigned on that and I support it. This does not mean that we accept high unemployment levels in the communities concerned. Our challenge is to work together with the provinces and territories, business groups and community leaders to come up with local solutions that will expand working opportunities in areas of high unemployment.

Canadians have also told us that the clawback sometimes reduces the benefits of middle income clients. When this happens it means that money is taken away from many families for whom money is tight. The bill proposes to raise the net income level at which the clawback applies to repeat claimants from \$39,000 to \$48,750. In future only high income Canadians will face any repayment of employment benefits. This will provide relief to middle income earners who are temporarily unemployed.

Canadians also told us that it was not fair to claw back the benefits of people who are too sick to work or who want to take time off with their newborn or newly adopted child. The bill would exempt those collecting maternity, parental and sickness benefits from having to repay any benefits.

A number of parents returning to work after caring for young children also told us that the current EI provisions dealing with re-entrance make it hard for them to qualify for regular benefits. Consequently the bill would create a level playing field by extending the so-called look back period for re-entrant parents by four years. This means that claimants who have received EI, maternity or parental benefits in the four years prior to the current two year look back, will require the same number of hours as other claimants to be eligible for regular benefits. This is only fair.

This change makes particularly good sense in the light of the government's commitment to families with children through initiatives, such as the extension of parental benefits, which are designed to help parents balance the demands of work and the demands of family while their children are very young.

It should also be noted that as a part of the bill we propose to modify the fishing regulations to ensure that self employed fishers can take advantage of the enhanced maternity, parental and sickness benefits. This measure would be retroactive to December 31,



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2000, the same date the enhancements came into effect for other EI claimants. [Translation]

• (1650)

Many parents told us that they wanted the EI premium rates to be kept at a moderate level so that they could keep more of the pay they earn to buy the necessities of life. Accordingly the premium rate has been reduced by 15 cents from \$2.40 in 2000 to \$2.25 in 2001. This is the seventh consecutive reduction in premiums, resulting in billions of dollars in savings for workers and their families.

Taken together I believe these changes represent good news for a large number of EI claimants and their families. They leave more money in the pockets of families. They will protect first time special benefits and middle income EI claimants from having to repay their benefits. They will also support the critical transition back to the labour force for parents who take time out to take care of their children.

Mr. Speaker, it has been a pleasure for me to address you for the first time. I congratulate you on your appointment, and I intend to support the legislation.

\* \* \*

**BUSINESS OF THE HOUSE**

**Ms. Marlene Catterall (Ottawa West—Nepean, Lib.):** Mr. Speaker, discussions have taken place between all the parties and I believe you would find consent for the following:

That the recorded divisions scheduled today at the conclusion of government orders take place in the following order:

All necessary questions to dispose of the supply day motion in the name of the Leader of the Opposition.

All questions to dispose of second reading of Bill C-2.

All questions to dispose of second reading of Bill C-8.

The main motion concerning the Address in Reply to the Speech from the Throne.

I understand there will be another motion, a pro forma motion, once the motion has been adopted.

**The Acting Speaker (Mr. Bélair):** The House has heard the terms of the motion. Is there unanimous consent?

**Some hon. members:** Agreed.

(Motion agreed to)

**EMPLOYMENT INSURANCE ACT**

The House resumed consideration of the motion that Bill C-2, an act to amend the Employment Insurance Act and the Employment Insurance (Fishing) Regulations, be read the second time and referred to a committee.

**Mr. Gérard Asselin (Charlevoix, BQ):** Mr. Speaker, this is my first speech of this 37th parliament. I have had the opportunity to rise on questions and comments a few times, but this is my first speech and it deals with Bill C-2, the employment insurance bill. It was the second bill to be introduced in the House of Commons since parliament reconvened.

First, I must thank all the voters of Charlevoix, all the workers, all those who are unemployed and all the seasonal workers. We have fought relentlessly since the Axworthy reform—which became the Young reform and which has taken the names of other ministers since then—which was part of the government's electoral platform.

The Prime Minister and the government said that as soon as parliament reconvened they were willing to correct their mistake and to make significant improvements to the bill.

We have before us today Bill C-2, which replaces Bill C-44. During the election campaign, the Prime Minister told us that the reason Bill C-44 did not pass third reading in the House of Commons was that the Bloc Québécois refused to have this bill rammed through the House.

Bill C-44 was not passed at third reading because of a government strategy. The Prime Minister decided to introduce a bill at the very end of the session in June, in order to give parliamentarians time to think about first, second and third readings, and perhaps royal assent, over the summer.

Seeing that the bill did not have the unanimous support of the House, of workers and employers in the regions, of social organizations, women's groups and so forth, the Prime Minister told himself that going into an election campaign with such a bill would be a surefire disaster. He decided that he would withdraw it and not introduce it at third reading.

During the recent election campaign, he promised to introduce a bill, the one we are considering today, but parliamentarians are not being allowed to debate it in depth. The bill was supposed to have been extensively amended. We have to get across to the government, especially the Minister of Human Resources Development and the Prime Minister, people's concerns about this bill which, in our view, is worthless.

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• (1655)

In our view, this bill only allows the government to correct part of its mistake. In its reform, it had taken the intensity rules and reduced the rate from 55% to 50%. Hence the penalty to seasonal workers of 1% a year.

The minister admitted that this was a mistake. Many regions believed the government's promises, given the \$30 billion surplus in the EI fund alone, and the budgetary surpluses of the government and the Minister of Finance because of cuts in transfer payments for health and education, in a wide variety of areas.

However, Charlevoix was not taken in, because we have seen what happened in Gaspé, where there have been plant closings and unemployment has risen. The government tried to solve the problem in Gaspé or soften its impact, at the expense of the north shore, the Saguenay—Lac-St-Jean and the Lower St. Lawrence, taking from them to give to Gaspé.

This is more or less what the government has done so far. It gives with one hand and takes away with the other. In an attempt to compensate for the funds it would take to increase the number of insurable weeks in Gaspé, it decided to reorganize the economic regions and to combine the north shore and the Lower St. Lawrence, which has forced us into a transitional measure involving an unacceptable proposal for our seasonal workers. We were, for example, proposed a figure of 525 hours worked for 21 insurable weeks.

Already, with the 420 hour requirement, six out of ten contributors to employment insurance are not entitled to it, that is, the seasonal workers in the tourist or forestry industry, in fisheries or some other area where employment is seasonal.

When the minister tells me "Sir, we would like to try extending the seasons in your area", I would dearly love to put a dome over the peat bogs so that peat can be cut longer, but that is impossible.

We also looked into the possibility of enclosing the hills at the Saint-François river under a refrigerated dome so that there could be skiing on artificial snow until August, but that too is impossible.

We have also tried looking into various ways of carrying out logging operations in winter with 5, 6, 7 or 8 feet of snow, but that too is impossible.

The minister asks us to extend our seasons, and I must mention the tourism industry. People who go camping celebrate Christmas in August, not on December 25, when campgrounds have long been closed. We can promote tourist attractions at various times of the year but, on a campground, Christmas is celebrated in August, not in December.

The Minister of Human Resources Development, the Minister of National Revenue and the Secretary of State for Amateur Sport criss-crossed our regions during the election campaign to inform us of the transitional measures that they had put in place. They recognized that it would be difficult for those who had qualified with 525 hours for 21 weeks, because there would be a grey area.

We are now in that grey area. On February 15, people will stop getting EI benefits. In my riding, people are no longer getting EI benefits and they will probably not work before June 1. They now find themselves in that so-called grey area. These people have no income at all, yet there is \$30 billion in the employment insurance fund. People need their EI benefits to pay their rent and their food, to put bread and butter on the table. Right now they find themselves in the grey area.

In the coming days, Statistics Canada will probably tell us that the unemployment rate miraculously dropped in Charlevoix. It will be down in February, in March and probably in April. Statistics Canada will come up with these figures. Of course, the government is handing out fewer cheques, since people no longer qualify, since they are no longer entitled to benefits.

When people no longer get EI benefits, the unemployment rate as determined by Statistics Canada drops by osmosis, but income security goes up in Quebec, since a number of these people have no other option than to go on welfare.

• (1700)

When welfare is involved, the bill is footed 100% by Quebecers, but EI premiums are in no way the property of the federal government. In my view, the federal government has the authority to legislate, but not to interfere. It is unfortunate that we are being forced to debate this today in order to get the government to understand that the bill it is preparing to have passed can perhaps put right some of its mistakes.

However, when the government promised to look at the bill in depth, we in the Bloc Québécois told it that the money belonged to employees and employers. We suggested a parliamentary committee to split the bill in two in order to correct the mistakes that were made when the intensity rule was lowered from 55% to 50%. If we correct this error, we can immediately improve the rule. We would be favourable to raising the intensity rule to 60% instead of 50% or 55%. We suggest that there be uniform eligibility criteria.

Why does a new entrant on the labour market need 910 hours to qualify for employment insurance? Someone who works 32 to 35 hours a week for 10 to 12 weeks and who pays premiums is not entitled to EI. We want this abolished. We want the number of hours to be the same for everyone—300. Things would be much easier then.

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We also suggest that the two week waiting period be abolished. Why two weeks? We meet someone who has just lost his job and received his last week's pay, and he tells us that he has to wait two weeks. It takes a month for the person to begin receiving benefits.

The Bloc Quebecois is going to vote against Bill C-2, although we know that it will improve things and correct the mistakes of the government, which dipped into the fund. We know, however, that the bill allows the government to help itself to the surplus in the employment insurance fund. This is unacceptable. We have always been critical of this, as have trade unions and social organizations. For our part, we will continue to speak out against this practice. On behalf of the seasonal workers in Charlevoix, we will be voting against this bill because we think it is unacceptable.

[English]

**Mr. John Cannis (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I have congratulated the other Chairs. However, this is the first time I can congratulate you on your new assignment.

Throughout the debate today we heard members from both sides of the House talk about the technicalities of the debate, the statistics, the hours, the payments, the clawbacks, et cetera. What I would like to do is talk a little about the contributions to the employment insurance program. Then I want to go back 40 to 50 years and talk about where the program was then, where it is today, how it has changed, the purpose of it and why we had to make changes to it after we came to government in 1993.

As you will recall, Mr. Speaker, you were a member of parliament at that time as well. We did a mass review of overhauling the system. At that time, my colleagues from Brampton Centre and from Parkdale—High Park and I worked together to modernize the program.

The member from Calgary West made some comments which I would like to respond to. The member of the Bloc from Mercier also made some comments with respect to the program. I say to my colleagues that it is appropriate that we take this opportunity, not just to talk about the bill itself which will go to committee and changes will be made, but to tell the audience out there what the EI premium is all about.

I want to start out by saying that in 1993 the EI premium was pegged at \$3.30 per \$100. That is what Mr. Mulroney and the current leader of the Conservative Party left us with. Over seven years that premium has declined to \$2.25 per \$100, as was mentioned earlier by my colleague from Peterborough. If we add those pennies, as someone called them, which are well over \$1.05 per \$100, and we look at the two million people who have found employment since 1993, they add up to billions of dollars.

• (1705)

There is a fundamental difference here that the opposition refuses to acknowledge. In 1993 Canada had an unemployment rate of 11.4%. Today, thank God, we have an unemployment rate of 6.5% or 6.6%. In the last seven years over two million people have come back into the employment factor of the equation. What does that mean? Simply put, prior to 1993 there were two million people taking money out of the system. That is why the system was in a shambles. Now over two million people are putting money into the system.

Fortunately, today we are in the position of having surpluses with which we can reinvest, surpluses that unemployed people have an opportunity to access. Earlier the member from the Bloc talked about higher education. These surpluses go toward helping our youth get higher levels of education, or retraining, or perhaps to become a computer programmer, or an engineer or a graphics designer.

Many people have a problem when they talk about the EI contributions. As a former employer part of my obligation was to make contributions to the Canada pension program and to the unemployment insurance program. I am willing to bet that most of the members in this place, as well as the average Canadian, drive a car and own a home. They buy some form of insurance. I am tired of hearing comments from the opposition, such as those made by the member for Calgary West. He said that we were robbing the people. The member referred to the pages, which was uncalled for.

I drive a car. Year in and year out I pay an auto insurance premium. I wish never to have an accident. I have insurance for when and if I need to access it. Nobody is paying into this employment insurance program with the intent of accessing it.

There are people in the Atlantic provinces, Ontario, British Columbia and other parts of Canada who unfortunately are seasonal workers. There are single mothers in Ontario, Saskatchewan and other parts of Canada who work part time to subsidize whatever incomes they have so they can buy boots for their children for the winter. Perhaps they wish to subsidize school programs which are being cut right, left and centre in Ontario, for example. Are we going to penalize single mothers or single fathers who are trying to provide for their families? Surely not.

The member for the Bloc said earlier today that we are righting the wrong. I remember my father saying that to err is human, to forgive divine. Today we are trying to change that. Today we are saying that maybe there was a mistake. During the election campaign the Prime Minister, when was in the Atlantic provinces, said that we would correct it. That is what is happening today. We are making the adjustments to this program through Bill C-2.

I have a problem when I hear the opposition talking about the surpluses. I will go back to buying insurance. If a person is a good

driver, his or her insurance premium over the years will be reduced to some degree. We contribute to the EI program and draw from it. However, if the EI system is being continuously used then surely there will be some provisions to offset that in some form or another.

It said in the 2000 monitoring and assessment report that in the year 1999-2000 about 400,000 jobs would be created. Time will tell once the statistics come out.

• (1710)

Let us look at those 400,000 new primarily full time jobs. There will be 400,000 people who will no longer be accessing the system. They will be contributing to it. No one would have thought seven years ago that we would be in this enviable position today talking about reinvesting in our country, reinvesting in higher education for our youth and reinvesting in health programs.

They talked about the Canada pension program. Yes, there has been a slight increase. When this government took over it knew that it had to do something about it. The previous Conservative government and the leader of the Conservative Party refused to take the responsibility. They had an opportunity to make those changes and come to an agreement with the provinces, but they chose not to. They were afraid to. We made that decision with the provinces. Yes, there has been a small increase, but when we compare the decrease in EI contributions as opposed to the increase in Canada pension contributions, I think it is a pretty fair deal.

What Canadians out there need to know is that any premium increase to the Canada pension program has to be done with the agreement of all provinces. The government alone does not have the right to make that increase arbitrarily. I am taking this opportunity, without going into the guts of Bill C-2, to tell Canadians this story so they will know that.

People talk about the surpluses. I am very happy to stand on this side of the House, as a representative of the government, to say what has been done with the surpluses and to say that we are not robbing Canadians. It is a fair and equitable system, a system that has been in place since 1940 to support Canadians.

In closing, I encourage all members to support this new and changing legislation.

[*Translation*]

**Mr. Ghislain Lebel (Chambly, BQ):** Mr. Speaker, I have followed the debates that have gone on since this morning with considerable interest, especially since the party in government invoked closure, with the aim of preventing us from speaking more and perhaps from looking more closely at the whole employment

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insurance system governing workers and work in Canada and Quebec.

Employment insurance, it must be understood, is a sort of mutual insurance, a kind of insurance frequently found in Quebec, although less and less so now, because what was mutual is being demutualized.

The federal government's approach and concept of the employment insurance plan was to guarantee real mutual insurance. Thus, workers fearful about one day losing their job decided to contribute an amount of money in order to create a fund for themselves that would help them, in darker days, to continue their day to day existence, meet their obligations, the first of which is to eat. That was the aim of employment insurance.

Unfortunately, this government is incapable of revealing its true objectives to the people of Canada. It is incapable of telling it like it is and incapable of saying that to eliminate the almost immeasurable accumulated debt of \$680 billion, sales taxes or gasoline taxes, already fairly high, or income taxes had to be increased.

The government would rather get its hands on the surplus that was generated to benefit the taxpayers, not to let the government use it to pay back the debt, the deficits that have accumulated over the years. The government's only concern is to show that federalism is profitable and that everything is fine, that the government is rolling over in clover. That is not true. The government is using money it should never have been allowed to grab. The auditor general recently said so.

• (1715)

The previous speaker pointed out that since the government has been in office the premiums of the employees have dropped from \$3 to around \$2. This is a significant amount of money to pour back in the economy. However, for some five years now, we could have maintained the current EI system without charging a penny more to the workers, because with the surplus we would have been able to meet the needs of all the EI contributors.

Unfortunately, the government lacked the political will to increase the taxes in order to reduce the accumulated deficits. Instead, it chose to ignore the problem. Employment insurance rules have been changed; only 42% of people qualify for it. Yet, 100% of them pay premiums the minute they start working, but the government says nothing about this.

It is as if someone were to take out property insurance and the insurer were to say "If your property goes up in flames, you have four chances out of ten of getting paid, but you must pay 100% of your premiums and pray God that your property will not go up in flames". This is somewhat the same thing.



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The auditor general recently came here and supported the opposition's arguments. There is no basis, no calculation to scientifically establish the workers' contribution rate for employment insurance. It is pulled out of a hat. Things are not so bad. Since much of our debt is owed to foreigners, with the fluctuation of interest rates on the international market, contributions to employment insurance are reduced or maintained at the same level for a while, without any kind of ability to objectively and correctly assess the needs of the plan.

Certainly, if we constantly draw on the employment insurance fund to pay for the accumulated national debt of almost \$600 billion, we will never be able to contribute enough to pay off such a debt. Was this the true objective of the employment insurance plan when it was created? Let us not forget that it results from a federal-provincial agreement, from a constitutional amendment made in 1943, I believe, that transferred the whole employment insurance sector from provincial to federal authorities.

People put their confidence in the federal government. We now see the results. In Quebec, we are now used to this, and we no longer have any illusions about these people. That is why members on this side of the House would rather take off with what little they have left now, because in a few years we will have nothing left.

As for the health system, the federal government used to contribute 50% of the costs in the provinces. Now it is barely paying 15%, but it sets the standards. This is like inviting someone to a restaurant and footing the bill while the person decides on the menu. It takes some nerve to act like this. Such is the story of the party opposite.

Let us talk about women's issues, including parental leave, as they relate to this bill. There are studies—and the Liberals know them as well as I do—which show that women are paid less than men. This is not from me. Women are certainly aware of that situation, because they went all the way to the Federal Court of Appeal to defend the principle of pay equity. The government was paying women less than men. It was told so by a number of courts and administrative tribunals. The government threatened until the last minute to take the issue to the Supreme Court of Canada, to challenge the principle that equal work should mean equal pay for women.

It is the same thing with employment insurance. The same old principles that have been governing the Liberals for eons are resurfacing. A pregnant worker is not entitled to benefits unless she has accumulated 600 hours of work. There is no exception to this rule. There are pregnant women who, because of the very nature of their work, because they are exposed to certain risks such as computers, radioactive rays and so on must, on the recommendation of their doctor, stop working before having accumulated 600 hours.

The bill does not provide exceptions for such cases. No, the rules are very strict. It is always black and white for the party in office. That is the law and that is it. They make it and they impose it.

The Liberals are really not exercising the wisdom of Solomon. The hon. member for Hochelaga—Maisonneuve is studying law in his spare time, but it is not a waste of time.

• (1720)

Even though he is doing it in his spare time, it is not a waste of time. He has become a legal expert who can be pretty convincing. He will tell members the same thing I am telling them now. We could have done away with EI contributions for several years, as the auditor general told us. The government would have been able to maintain the program. Now it is going to take \$30 billion from those who work hard to earn a living and use that money to pay off the debt Canada has accumulated over the years to cover this government's wild spending.

We are talking here about \$2.8 billion. I see you nodding in agreement, Mr. Speaker. The embassy in Tokyo cost \$2.8 billion. Five thousand dollars does not even cover the value and the surface area of the embassy grounds. Such lavishness is just incredible. Yet, young women with young children who are unfortunate enough to lose their jobs are condemned to live in misery by this government. It has no qualms about letting these people starve. That is poverty.

When we talk about poverty, that is the kind of poverty we are talking about, and not the poverty of the billionaire friend of the government who made only \$250 million instead of \$500 billion on a government transaction involving a 40 year lease. He is not the one who is poor. The one who is poor is the woman who arrives at work one morning and is told that there is no job for her any more. It is the woman who is told by her physician that she must stop working because she is pregnant and unable to go on. That woman does a lot for society. I know my friends opposite are totally insensitive to this kind of misery.

[English]

**Mr. Wayne Easter (Malpeque, Lib.):** Mr. Speaker, I am pleased to have the opportunity to speak to Bill C-2. To begin, I would like to comment on the last remark about Canada's embassies around the world.

Canada's embassies are very important, and the hon. member opposite knows that. They are important in terms of trade relationships and creating jobs, which the bill is indeed related to. Never mind the malarkey in terms of trying to make a fuss about the cost of an embassy. They are an important part of the Canadian government. I am glad they are there to represent Canada in our business relations and other relations around the world.

I also wonder why the hon. member opposite is so excited about our embassy when Quebec is out there setting up its own embassies and duplicating what is already there. That is where the real waste is, in terms of the embassies that the Quebec government is establishing.

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As I said, I welcome the opportunity to speak on Bill C-2. I especially welcome the amendments to the act. It is a very good step forward to improvements on the original bill.

Quite a number of members on this side of the House had serious concerns about certain parts of the bill, especially the intensity rule. That is why, in 1996, we welcomed the proposal to monitor the impacts of the bill. Bill C-2, which is all about making positive changes where needed, is a result of that monitoring.

We want EI to work the way it was intended, and that is to offer temporary support to workers who are unemployed so they can rejoin the workforce. I am pleased that for the most part the provisions of the employment insurance program are working the way they were intended.

• (1725)

My contribution to the debate will be to explain the proposed changes to the intensity provisions. The original thinking behind the intensity rule was to provide a greater incentive to work and to reduce dependence on EI as an income support.

Some thought the intensity rule would accomplish this by reducing the benefit rate of frequent claimants from 55% over time to 50%. In other words, the benefit rate would be reduced by one percentage point for every 20 weeks of regular benefits collected over the past five years.

The rule has proven to be ineffective. The monitoring and assessment reports indicate that the proportion of EI benefits paid out to frequent claimants has remained stable at around 40%. There is a reason for that of course, and it is the availability of work in certain areas. In a country like Canada we naturally have a lot of seasonal industries.

The government has done much in terms of creating the economic conditions for the creation of jobs. We got rid of the deficit. We have introduced new initiatives. In my region we have better utilized the regional development agency, ACOA. We are implementing the Atlantic investment partnership, and are basically there as a government trying to create more year round jobs, more full time jobs and longer periods of work for people in seasonal industries.

These initiatives and others across Canada have improved the employment picture with the creation of over two million jobs since 1993. However, Canada will always have seasonal industries which, by their very nature, require seasonal workers.

My colleague, the member for Egmont, mentioned his riding and the seasonal workers there. These are important industries. Workers in the agriculture and fisheries only work at certain times of the

year because of the nature of the industries and of our climate. However, those workers are important to the economy. They contribute to the economy in a very great way.

Therefore, while the intensity provisions make sense in theory, in practice we have found that they do not curtail repeated use of the EI system, especially in areas where there are few opportunities for employment. As a result, we are quite concerned that they have become a punitive measure. I have also called the intensity rule a penalty on seasonal workers, and this bill proposes to change that and withdraw the penalty.

The bill proposes to eliminate the intensity provision altogether and to reinstate the benefit rate at 55% for all claims. These claims, as we said many times in the past, will be retroactive to October 1, 2000.

The government remains fully committed to the goals of the EI reforms introduced in 1996. The program is called employment insurance. It is designed to provide temporary income replacement and to help Canadians prepare for and obtain employment.

Yes, the Canadian economy has been doing extremely well but not all workers enjoy the full benefits of a healthy economy. Some areas in every region continue to have high rates of unemployment. Workers in those areas deserve our assistance.

I ask all hon. members in this place to note that these proposed changes will not affect just the Atlantic provinces. Sometimes we are pegged with that image. Eliminating the intensity provisions will benefit forestry workers in British Columbia, construction workers in Ontario and tourism workers in Quebec. It will put more money in the pockets of those workers so that they are better able to provide for their families.

• (1730)

During this debate I would ask hon. members to keep in mind that EI is just one of a number of ways to help unemployed Canadians. I think we all agree that increasing employment opportunities is a partnership exercise involving the provinces, the territories, communities, and business and labour organizations.

I know that seasonal workers very much want to increase their job prospects. They understand that long term solutions will be found through improving their skills and the economic development in their particular regions. The Liberal government will continue to strive in that direction, working with its partners to expand and diversify the local economies.

The amendments proposed in the bill will certainly help in terms of assisting those families, especially where there are seasonal industries with important workers in our economy. I encourage all members to support these amendments so that the bill may pass

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quickly through the House, so that those people at work can contribute to our economy, and so that those people who work and contribute to our economy in those seasonal industries and have been unfairly penalized by the intensity rule will now see it withdrawn and will be able to receive full benefits, as is intended by these amendments.

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, I am pleased to have the opportunity to speak to this very important piece of legislation, a piece of legislation that has been a long time coming.

Before I get into the legislation itself, I do want to take this opportunity to thank the people of Churchill riding for their support of myself and the staff in my office. I believe that by re-electing me they were also showing support for the work that the staff in my office have done over the last three and a half years in acting and speaking on their behalf in the Parliament of Canada. Churchill is a huge, very diverse riding, with aboriginal and non-aboriginal populations that are almost an even split. There are industrial communities and very poor communities. I truly thank the people from the riding for their show of support.

Within the riding I have 31 first nation communities. The unemployment rates in those communities are extremely high. I am not talking about 15% to 20% unemployment. I am talking 70%, 80%, 90% or 95% unemployment in a number of those communities, so I can tell the House that it has been a very tough haul in the last few years.

Many who do work in those communities work at seasonal and part time employment. A lot of that employment is reliant on winter roads: logging and the shipping of equipment and goods over those roads while they are in place. Others fish, trap and are guides at some of the best world class fishing and hunting lodges. Others find work in the construction industry in the spring, summer and early fall, the only times that we are really able in the north to do a lot of those things.

Through no fault of their own, the seasonal and part time workers have suffered severely under this Liberal government's employment insurance strategy. It is no wonder, because I listened to a previous Liberal colleague indicate that the Liberal government planned its program so that people would not be dependent on EI. I do not know which people on EI he knows, but most I know would gladly be working rather than be on EI. They do not plan their lives to be on employment insurance.

I suggest that when a government has a warped sense of guidelines as to what a program is based on, chances are that it will come up with a program that does not meet the needs of the unemployed. That is why we saw people struggling to survive on low EI payments or being forced to go on welfare. Let us be clear about this: when the government cut EI payments, the numbers on

social assistance increased and the numbers using food banks increased. In my riding alone, in the year 1998, EI benefits were reduced by just under \$17 million. A riding of about 78,000 people saw a reduction of \$17 million in money coming in. Most of those people had very low incomes.

Who suffered from this misguided Liberal program? Those people exactly, those least able to cope: the aboriginal and seasonal and part time workers and the women, pregnant or otherwise, were those whose suffering was greatest.

• (1735 )

This program failed drastically to meet the needs of those people and not at a time when there was not money in the program to benefit those people. With huge surpluses in the program, what did the government do? It used those dollars to make it seem like the government, with its great planning, was reducing the deficit.

That was not the case. It was not the government that was doing a darn fine job of management. It was the government doing a darn fine job of ripping off those people paying into EI, the employers and the workers who were out there working and supporting a program that they wanted to have available for workers who did not have the opportunity to work. The workers who are out there do not begrudge paying EI, but they want to know that the dollars in the EI program are going to unemployed workers and to training and not going to making the finance minister or the Prime Minister look good. They want the money to go to what it was designed to do.

Before I get into more of my thoughts on the government's misuse of EI dollars, I also want to comment on an article I have in front of me. My staff often think I am a little crazy because I read almost everything that comes across my desk. I often find really good work. This is from *Health News*, from the University of Toronto Faculty of Medicine. It is from an article from early last year called "Can Unemployment Make you Sick?"

It's not just the fact of losing a job and an income. People's identities can be highly tied to their jobs—traditionally the case for men—so a job loss can be psychologically traumatic. —The stress of job loss can produce actual biochemical changes in the body (although not all of those are necessarily negative). —higher levels of cortisol, prolactin, growth hormone, cholesterol and HDL-cholesterol, as well as lowered immune reactions compared to when they were still working.

I listened to all these people that have been talking today on EI and I ask them to think of the number of adult men in the fishing industry, in the part time jobs and the seasonal jobs in my riding. How many fall into this category?

The article continues:

Among adult men in particular, unemployment is associated with a higher risk of heart disease. Unemployed workers visit doctors more often and are admitted to hospital more frequently than employed people. There's even evidence of an increased death rate among unemployed people—particularly unemployed middle aged men—

with suicides, accidents, heart disease and lung cancer accounting for the increased mortality.

Did these people need the added stress and hassle of the Liberal government's employment insurance plan cutting the number of weeks that they were able to work, adjusting the intensity rule and not allowing them to get as much from their benefits as before? Did they need that? No. Added to the stress, they got an employment insurance program that did not meet their needs. They were made to feel like criminals for wanting their own dollars that they put into unemployment. Also, the government could make itself look good.

The government has come up with this legislation and I should note that they waited long enough to do it after the great work of members of this House of Commons. I want to commend my colleague, the member for Acadie—Bathurst, as well as a number of Bloc members who worked very hard to continually bring up the issue of changes needed in the EI program, time and time again.

It must have been two and a half or three years before the government finally listened and came up with this legislation, saying yes, it would identify some of the areas that need to be changed. Is it going to solve the problem? Not a chance. The problem is still there, and again, not because the dollars are not there in the EI program. They are there. I believe it is \$38 billion a year we are looking at. That surplus is going to be a huge amount of money, which was intended for the use of unemployed workers and those who needed training. These changes are definitely not going to meet those needs.

There are some other areas we could look at improving. The government could have looked at amendments to eliminate the two week waiting period for apprentices. I hope and I am sure they will be introduced at committee stage or in the House of Commons later on. Why on earth, with a surplus in the fund, would the government not put in place amendments allowing apprentices this? These men and women are apprenticing. They are in the workforce, but they want to go back to school. They need money coming in. EI will pay them, but there is a two week waiting period.

● (1740)

Why on earth is there a two week waiting period? Why on earth do they have to be penalized for being in the workforce and continuing their education? Why on earth would the government put in a two week waiting period and leave it there when there is a surplus in the EI program? There is no reason whatsoever other than to give a pat on the back to the finance minister.

We could increase the maximum insurable earnings and give those people who are working in high income jobs the opportunity to pay in on that and then get an increased amount back. Also, the qualifying period should include any period of employment, 52 weeks in the 260 weeks preceding. Give a fair chance to people

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who are going out there looking for whatever job they can get. It can be sporadic, with a week here or a couple of days there, but they are out there, so give them a fair chance to benefit from the employment insurance plan.

Again, as a number of Bloc members have mentioned today, allow the self employed to be active participants in the EI program. It is not as if the program is suffering. It is not as if these people would not willingly pay into the program. A good insurance program does not look at how it can cut and slice and take away parts of itself. It looks at how the program can be enhanced. Let us enhance the program and allow more people to access it. Allow the self-employed to pay into the program and access it.

We need to allow persons receiving workmen's compensation payments to continue making EI payments. Right now they are restricted from doing so. I have situations in my riding where persons who are getting workmen's compensation do not have payments made to EI or CPP due to the nature of the way the structure has been set up. As a result, they are in a crucial period.

Madam Speaker, I know you are giving me the timelines, so I just want to follow up and say that I also support the setting up of a separate commission or insurance board to look after EI.

I also have just one comment. I suggest that what has happened with the Liberal government is that the finance minister is acting as Robin Hood and Prince John has joined him in taking money from the unemployed and giving it to the rich.

[*Translation*]

**Ms. Diane St-Jacques (Shefford, Lib.):** Madam Speaker, I would first like to point to something very important. The bill was introduced in the House before and got to second reading. Then an election was called, and Canadians gave us the mandate to continue along the same path. This is why we are bringing forth the bill again.

It is very important to put things in perspective. The establishment of the new employment insurance system, in July 1996, was the first major reform of the program in 25 years.

The old unemployment insurance system had served Canadians well, but it had become obvious that it no longer met the needs of the active population. When reforming a system as old as the unemployment system, one has to expect that adjustments will become necessary later on. This is why the government is putting forward the legislative amendments before us today.

We are not going back to the system that existed prior to 1996, as some of my colleagues suggested earlier. The 1996 reform original objectives remain unchanged. The government still wants to bring more fairness to the system, to reduce dependency on benefits, to assist low income families, to reduce the costs associated with the program and to give greater priority to active measures to help



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some workers get back to work. These objectives are as important today as they were in 1996.

As my hon. colleagues in the House know, the government has reviewed and assessed the effects of the 1996 reform. Our studies show that most of the elements of the employment insurance scheme, like the divisor and the hours based system, are working well, but that some elements need to be changed.

On the whole, the employment insurance scheme is up to its *raison-d'être*, which is to act as a security net for workers temporarily out of work. We are constantly reviewing its implementation, and we find that it is indeed the case. However, it is not perfect. Perfection is hard if not impossible to achieve.

This does not mean, however, that we should not be making adjustments. That is why we are putting forward these proposals to the House. This is not the first time changes are being made to the employment insurance scheme. We have changed elements in the system before. For example, in 1997, we launched a pilot project on shortened work weeks, which help ensure that people whose income is low at times do not see their benefits cut.

• (1745)

The close monitoring of the implementation of the new system and the analysis of the opinions expressed by workers directly affected by certain provisions now allow us to make new adjustments.

Regarding the intensity rule, we have to admit that it is a measure that did not work as expected. Because it did not result in the work effort increasing while dependency decreased, and because it is seen as having a punitive effect, we propose to eliminate it.

On the other hand, the clawback provision, or more specifically the benefit repayment provision, is a different matter. That measure was introduced to deter high income earners from frequently relying on employment insurance. The majority of middle income earners pay premiums for many years without ever claiming benefits. Since the purpose was to deter repeated claims by high income earners, first time claimants should not be affected, because they are certainly not abusing the EI plan.

We are suggesting that all first time claimants should be exempted from the clawback provision.

I am sure hon. members will agree with me that the clawback provision should not apply to Canadians who get benefits because they are too sick to be working or because they stay home after the birth of a child to take care of a baby. That is why we are

suggesting that claimants collecting special benefits also be exempted.

We are deeply convinced that the clawback provision should apply only to high income earners who rely frequently on employment insurance, and not to middle income earners.

We have realized also that rules governing re-entrants should take into account the extremely important role of the parents in the early development of their children. Nothing is more important than the responsibility to raise the next generation. Those who do assume that responsibility ought not to be penalized if they choose to withdraw from the work force to do so.

This is why the government proposes to adapt the rule that applies to people returning to the work force. We propose to make it easier for new parents to qualify for regular benefits if they lose their job after re-entering the work force after a prolonged absence raising children.

Thus, the increased requirements for eligibility for regular benefits will not apply to people who have returned to the work force after drawing maternity or parental benefits in the four years prior to the present two-year period of retroactivity.

The bill before the House includes a recommendation on maximum insurable earnings. This is an important figure, because it determines maximum benefits under the program, as well as maximum contributions. The present bill proposes maintaining insurable earnings at \$39,000, until the average industrial wage exceeds that figure.

Once it does, we propose that there be an annual adjustment in maximum insurable earnings according to the average industrial wage in subsequent years.

Until 2006 the Canada Employment Commission will continue to monitor and assess the effects of the new employment insurance program.

The changes we are proposing, and the vigilance of the commission, will ensure that the EI program conforms to its objective of meeting the needs of Canadian workers in need of a temporary source of income when they are between jobs. The commission will also help us to determine how the EI program is responding to labour market changes.

Canadians know their government is attentive to their needs. We are determined to make the employment insurance program one of the best of its kind in the entire industrialized world.

Of course, the best guarantee of financial security is stable employment. That is why the Government of Canada will continue the work undertaken with the provinces and territories, with

business and local leaders in order to help create an economic climate that provides employment opportunities to all Canadians.

• (1750)

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Madam Speaker, it is always a pleasure to speak to the House when you are in the chair, but this should not divert our attention from the extremely despicable, antidemocratic and deplorable nature of the practice which started during the previous parliament and which brings the government to act offhandedly and to resort to gag orders on issues of crucial importance for our fellow citizens.

I know that the citizens of Hochelaga—Maisonneuve, those of Shefford and those of every other region in Quebec will remember the disregard of this government for members of parliament and the arrogance with which it deals with important issues.

The Bloc Québécois has always been very much concerned about the employment insurance reform. It goes back to the beginning of 1996, and was sponsored by Lloyd Axworthy, who has left public life. The member for Mercier and my colleague, the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, an admirable man I am sure my colleagues will all agree, and I know they will join me in applauding him for his extraordinary work on the employment insurance issue—both were worried about the shrinking of the coverage.

I remember vividly the arrogance with which the government answered our questions, particularly the minister at the time, Mr. Axworthy, whenever we said that if this system was maintained not even 50% of the population would have access to employment insurance benefits. When we talked that way, we were accused of being offhand and airy, we were compared to the nutty professor because such a scenario seemed so improbable.

However, the assessment report tabled by the Government of Canada through the Department of Human Resources Development indicates—as was pointed out by the hon. member for Chambly, a well-known authority on social democracy, whose outstanding legal knowledge has earned him, in the past, a brilliant career as a notary and who remains for me a source of inspiration—that nowadays only 4 out of 10 workers qualify for EI benefits even if everyone on the labour market does pay premiums.

Is this not a damning indictment of our democracy and the operations of our institutions? We must understand the difference between an assistance program and an insurance program. Employment insurance is not a charity. Workers as well as employers pay premiums for employment insurance. When things take a turn for the worse and we end up unemployed, it usually comes as a complete surprise due to massive layoffs, job loss or industrial restructuring. These are all circumstances out of our control.

### *Government Orders*

Why is it that we now have a plan—one of the few in the western world I am told—to which the federal government has stopped contributing? It is essentially workers and employers who contribute, not quite equally, to the plan. They do not contribute equally, but they both contribute. Is that the vision of our fellow citizens? Is that what they expect from a responsible government?

We know how fragile the labour market is. I believe I am not mistaken, Madam Speaker, if I say that you yourself are in your early forties. We have both followed a similar path. We were both involved in the labour market without being linked to a single employer. However, my 63-year-old father—whom you would like very much—worked for the same employer all his life.

• (1755)

He raised five children. He worked for a textile company all his life. He started working just before his 16th birthday and worked pretty much all his life for the same employer.

Today, the nature of the labour market is such that this scenario is becoming more and more unusual. It is no longer typical.

We know that most people will have at least five employers and at least five careers over the course of their life and this is why it is very important when we are between jobs to have a plan that is well adapted to this reality.

Is this the case of employment insurance as we know it? Certainly not. What is the most incredible, and I will not hide the fact that it disgusts me, is the kind of servile complacency with which the government party supports the bill. There is not one voice of dissent to be heard. What did the members from Montreal, from Quebec, from the maritimes say about the representations made to them by their fellow citizens? Because, of course, everywhere in Canada, people know that the plan does not make any sense.

Such behaviour by the majority is deplorable. Government members can rise in the House and talk about social justice, about Pierre Elliott Trudeau, about social democracy and boast about being true liberals, but, at the same time, they can, just like sheep, rise in the House and vote without the slightest thought for the poor in favour of a plan that is contributing to making them poorer.

This will end some day, because the people will not tolerate eternally such arrogance on the part of the majority.

I would like to remind the House that we had made a demand that was supported by almost all well informed groups in Quebec.

*Government Orders*

It was that the government present two bills, one being for the creation of an independent employment fund. [English]

The member for Chambly repeated this earlier: the surplus in the employment insurance fund amounts to approximately \$30 billion. This is not something trivial. The chief actuary of Human Resources Development Canada himself admitted that this situation does not make a lot of sense. Despite the surpluses I referred to, the government was not able to make the employment insurance plan more generous.

The Bloc Québécois members have asked that the rule of 910 hours be abolished. It does not make sense that a young person who is new on the labour market and submits a first claim must have worked 910 hours to be eligible. Considering the social conditions young people live in, can this be considered an egalitarian approach? It is already hard enough to find that first job. How can we justify making things even more complicated for those who find themselves out of the labour market for a first time?

Considering the huge surpluses, we had asked that the coverage rate be increased to 60%. This is an absolute minimum. We do not think we are being extravagant. Nor do we feel prodigal in suggesting something like that.

Our pleas were not heard. Because of the servile silence of the government majority, our most needy fellow citizens are being left in an extremely preoccupying situation.

**An hon. member:** *The Silence of the Lambs.*

**Mr. Réal Ménard:** *The Silence of the Lambs.* I think if there is one valid movie reference, this is it.

I will end by calling for negotiations. The Government of Quebec wishes to establish an improved system of parental leave. Section 69 of the Employment Insurance Act would allow it. Why are negotiations hung up and what is the government waiting for to transfer the \$600 million which Quebec could use effectively by establishing an integrated system, one that would be unique and much more generous than what the federal government is offering?

• (1800)

Members will understand my pressing call. I caution the government against its highhandedness and I remind it that the Bloc Québécois remains the first political force in Quebec. Its members will be there to remind people that this government has an unfair vision of social justice and that its employment insurance bill is unfair.

I will conclude by saying that contempt can only last for a while.

**Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.):** Madam Speaker, I wanted to speak in this debate simply to make one basic statement, and that is that I make no apology as a member on this side for the legislation that this government brought in a few years ago that reformed and changed the unemployment insurance, as it was then called, to employment insurance.

In the same breath I also would say that I support the changes that are before the House now, but the point that is important to me, and I think that I can speak for certainly many of the people in my constituency, is that employment insurance could not stay the way it had been for decades. It had to change and I think it still has to change. This is a temporary fix at most and what the government tried to do a few years ago, in my mind, was absolutely correct.

We as members of parliament here represent our constituencies and different regions of the country and, more important, different economic opportunities. I take the point that was mentioned in one of the newspapers recently that this debate seems to go on regional lines and that we have on one side the western argument where they are not in need of employment insurance as much as Atlantic Canada and so on and so forth.

It is not a regional issue at all, but it is an issue of economic opportunity in particular constituencies. In my constituency the economic opportunities have long been very good. My riding is west of Hamilton and for a very long time there was a very successful manufacturing industry in Hamilton and indeed there was a lot of wealth in the region. While many people certainly were on employment insurance from time to time, or unemployment insurance, for the most part they were not as dependent upon it as those communities perhaps that are more resource based, where there are tremendous fluctuations in price for commodities that can lead indeed to sudden intervals of unemployment and where indeed there has to be a safety net.

When I was young, and I still like to think I am young, when I was entering the workforce out of high school, in my family my father was a working class Englishman but it was a point of pride that was inculcated in our household that if we could possibly help it we did not go on unemployment insurance.

I have paid into it for many, many years and when I started in the workforce I worked in the local foundry in my community and I worked in a number of the manufacturing plants in Hamilton, chiefly to earn money for my education, but a job was a job and our family did not have much money and I certainly had to get out there and earn my keep.

Never did I ever think that employment insurance, or unemployment insurance as it was then known, was my entitlement. I never

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felt, and I still do not feel, that simply because I may have put many, many thousands of dollars into the unemployment insurance program over my career, I do not feel that it is something I should be entitled to simply because I put the money in.

The way I was brought up to look at unemployment insurance was that it really genuinely was an insurance program for those who were unfortunate in their employment and suddenly lost work. That is what I think it should be now and I support it 100% in that context, but as time went on abuses did creep into the system. In my own community there were some very, very obvious abuses at the time of the amendments we made to the legislation a few years ago.

• (1805)

One of the most notable ones was this whole question of seasonal employment. The example that comes to mind most graphically in my region was. The school boards would hire the clerical staff, the janitorial staff and the custodial staff for 10 months of the year and then fire them for two months. Then they would go on unemployment insurance and then they would be rehired after the cycle.

This obviously became a culture that the staff at the schools came to accept, that it was their entitlement to be working for 10 months of the year and then get unemployment for two months.

What was actually happening in this process, in my view, was the school boards and the provinces that financed the school boards, instead of giving a fair salary to the workers based on 12 months of the year, what they were doing was that they were giving a lesser salary and getting the top-up from the taxpayer, indeed not from the taxpayer but from those who were putting generally into the employment insurance fund.

I always felt and I still feel that this is wrong, that this is not what employment insurance was ever meant to be. Madam Speaker, you can go across the spectrum and you will find, you could find, many examples of this where employers deliberately took advantage of the employment and unemployment insurance program in order to give less wages and indeed to in another sense increase their profits, because when an employer can give less wages by hiring a person for only six or eight months when in fact they should be hiring them for 12 months, what they do is they lower their cost of operation and in fact widen their profits.

I thought it was very, very appropriate to try to address this problem of deliberate seasonal employment for the benefit not of the workers but for the benefit of the employer, so the attempt that was done a few years ago to address seasonal workers I thought was very appropriate.

Another side of the equation is when we look out of my particular area to the country and we look into those ridings—I like

to think of it; it might be in Ontario; it might be in Nova Scotia; it might be in Alberta or British Columbia—where the work is seasonal because it is resource based, this creates something of a problem too in another sense.

If we have a resource base, a resource that has been exploited, be it wood, be it fish, that relies on the workers to work for six or eight months of the year and then be off on employment insurance for four months of the year as a regular year over year thing, what we are in fact doing is that we are subsidizing the collection of that resource. That is fine in the one sense, but what then happens is that we run the danger of overexploiting a resource. If people can cut trees or harvest fish at lower than the real cost and deliver them to the marketplace, then we are artificially inflating our ability to exploit that resource.

Consequently, because I really believe that we have an obligation to protect the forest, I really believe we have an obligation to protect the fisheries and any of these other resource based industries, I found it very difficult sometimes to contemplate this idea that we automatically think it is the right thing to do to subsidize the employment insurance resource based industry.

Madam Speaker, one of the reasons why I support this legislation is there is another side to this equation: if you take that attitude too literally, not only would I be subject to accusations of being a rabid right winger but quite apart from that, if you take it too literally then you are not giving other parts of Canada an opportunity to maintain their communities.

Let us just separate regionalism for a minute and just look at northern Ontario. There are many, many communities in northern Ontario based on mining and the forestry. I think it is absolutely incumbent upon all of us as members of parliament to sustain those communities and their cultural traditions as long as we can. Madam Speaker, you have to strike a balance when you are thinking in terms of employment insurance and its impact on resource industries.

• (1810)

I do support the changes that we see here today because I think we have tried to make some adjustments because we did not fully appreciate the impact of what we were doing before. But time is passing. We are now into another century and we have to realize that even a program like employment insurance has to be revisited and modernized.

I thought there was a very wonderful suggestion being floated around over on the other side, and that was the suggestion that maybe employment insurance should be applied to self employed people. I think that is a very worthy suggestion from the opposition and should be explored.



*Supply*

[Translation]

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Madam Speaker, on this February 13, 2001, I rise with sadness to speak to this issue.

Usually, the day before Valentine's Day, we get ready to tell those we love best that tomorrow is a very important day, when we will again offer them our very special wishes, but on this February 13, the government brought in time allocation on Bill C-2. Exactly 66 days prior, the government brought back Bill C-44 as Bill C-2.

During the election campaign, the government made a commitment, particularly to workers in the Saguenay—Lac-Saint-Jean area to amend the bill and make it acceptable to them. I would not think of harking back to the same old stories, but I remember that, on two visits made last September and October by the Minister of National Revenue, workers back home told him "It is too bad, but you are out. We cannot accept Bill C-44".

During the campaign, the Secretary of State for Amateur Sport came to tell them "Vote for me, give us a strong majority, and we will satisfy your expectations". Today I regret to tell workers in the Saguenay—Lac-Saint-Jean area and throughout Quebec and Canada that the government told them a big lie. The government said to them "Take my word and we will give you what you want".

However, it must be recognized that the saying "commitment made, commitment retracted" says it all. I note that this government does not want to respond to people's real expectations.

We have criticized this Bill C-2. I was at a meeting of some one hundred thousand workers in the riding of Jonquière during the election campaign. They had come to tell the government that they wanted an independent employment insurance fund. They said that, as they and employers paid into it, they should administer it, because they contribute to it to provide themselves with some security. The government turned a deaf ear, but spoke to them saying "I do not hear you, but be assured I will meet your expectations".

The day after the election, naturally, as Félix Leclerc says "I had forgotten your name, I had forgotten the promises I made to you". I am sad to note that the government is refusing, in the voices of democratically elected representatives, to tell the House and Canadians how much the workers in the riding of Jonquière and the Saguenay—Lac-Saint-Jean region oppose this bill. They will fight until they are backed into a corner to get the ministers who visited us to honour their word.

At home, we keep our word, and people who keep their word have only one word. Let the members of the government understand that. When we sit in parliamentary committee, we in the Bloc Québécois will see that this bill meets the real expectations of the workers. Government members will have to honour their word.

We are simply holding our fire. We will be waiting for them in committee. The real debate will take place there, and the real people will be heard.

• (1815)

[English]

**The Acting Speaker (Ms. Bakopanos):** It being 6.15 p.m., pursuant to order made earlier today it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the second reading stage of the bill now before the House.

[Translation]

Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Ms. Bakopanos):** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Acting Speaker (Ms. Bakopanos):** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Acting Speaker (Ms. Bakopanos):** In my opinion the yeas have it.

Pursuant to the order made earlier today, a recorded division on the proposed motion stands deferred until later today.

\* \* \*

**SUPPLY**

ALLOTTED DAY—ETHICS COUNSELLOR

The House resumed from February 8 consideration of the motion and of the amendment.

**The Acting Speaker (Ms. Bakopanos):** Pursuant to order made Thursday, February 8, 2001, the House will now proceed to the taking of the deferred division on the business of supply.

Call in the members.

• (1835)

[English]

*And the bells having rung:*

**Ms. Marlene Catterall:** Mr. Speaker, I believe you would find consent to deem the amendment to the opposition motion negated on division.

**The Speaker:** Is there unanimous consent for the proposition of the chief government whip that the amendment be deemed defeated on division?

**Some hon. members:** Agreed.

(Amendment negated)

• (1840)

**The Speaker:** Accordingly the question is on the main motion. All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Speaker:** In my opinion the nays have it.

*And more than five members having risen:*

• (1850)

[Translation]

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

(Division No. 5)

## YEAS

### Members

Ablonczy	Anders
Anderson (Cypress Hills—Grasslands)	Asselin
Bachand (Richmond—Arthabaska)	Bachand (Saint-Jean)
Bailey	Bellehumeur
Bergeron	Bigras
Blaikie	Borotsik
Bourgeois	Breitkreuz
Brien	Brison
Burton	Cadman
Cardin	Casey
Casson	Chatters
Clark	Comartin
Crête	Cummins
Dalphond-Guiral	Davies
Day	Desjarlais
Desrochers	Doyle
Dubé	Duceppe
Duncan	Elley
Epp	Fitzpatrick
Forseth	Fournier
Gagnon (Champlain)	Gagnon (Québec)
Gallant	Gauthier
Girard-Bujold	Godin
Gouk	Grewal
Grey (Edmonton North)	Grose
Guay	Guimond
Hanger	Harris
Hearn	Herron
Hill (Macleod)	Hilstrom
Hinton	Johnston
Keddy (South Shore)	Kenney (Calgary Southeast)
Laframboise	Lalonde
Lancôt	Lebel
Lill	Loubier
Lunn (Saanich—Gulf Islands)	Lunney (Nanaimo—Alberni)
MacKay (Pictou—Antigonish—Guysborough)	Manning
Marceau	Mark
Martin (Esquimalt—Juan de Fuca)	Martin (Winnipeg Centre)
Mayfield	McDonough
McNally	Ménard
Meredith	Merrifield
Moore	Nystrom
Obhrai	Pallister
Pankiw	Paquette
Penson	Perron
Peschisolido	Picard (Drummond)
Plamondon	Proctor

Rajotte  
Reynolds  
Robinson  
Roy  
Skelton  
Spencer  
Steckle  
Strahl  
Thompson (Wild Rose)  
Tremblay (Lac-Saint-Jean—Saguenay)  
Vellacott  
Wasylycia-Leis  
White (Langley—Abbotsford)  
Williams

## Supply

Reid (Lanark—Carleton)  
Ritz  
Rocheleau  
Sauvageau  
Sorenson  
St-Hilaire  
Stoffer  
Thompson (New Brunswick Southwest)  
Toews  
Tremblay (Rimouski-Neigette-et-la Mitis)  
Venne  
Wayne  
White (North Vancouver)  
Yelich—122

## NAYS

### Members

Adams	Alcock
Allard	Anderson (Victoria)
Assad	Assadourian
Augustine	Bagnell
Bakopanos	Barnes
Beaumier	Bélaire
Bélangier	Bellemare
Bennett	Bertrand
Bevilacqua	Binet
Bonin	Boudria
Bradshaw	Brown
Bryden	Bulte
Byrne	Caccia
Calder	Cannis
Caplan	Carignan
Carroll	Castonguay
Catterall	Cauchon
Charbonneau	Coderre
Collenette	Comuzzi
Cotler	Cullen
Cuzner	DeVillers
Dhaliwal	Dion
Dromisky	Drouin
Duhamel	Duplain
Easter	Eggleton
Eyking	Farrah
Finlay	Fontana
Fry	Gagliano
Godfrey	Goodale
Graham	Gray (Windsor West)
Guarnieri	Harb
Harvard	Harvey
Hubbard	Ianno
Jackson	Jennings
Jordan	Karetak-Lindell
Keyes	Kilgour (Edmonton Southeast)
Knutson	Kraft Sloan
Laliberte	Lastewka
Lavigne	LeBlanc
Lee	Longfield
MacAulay	Macklin
Mahoney	Malhi
Maloney	Manley
Marcil	Marleau
Martin (LaSalle—Émard)	Matthews
McCallum	McCormick
McGuire	McKay (Scarborough East)
McLellan	McTeague
Mills (Toronto—Danforth)	Minna
Mitchell	Murphy
Myers	Nault
Neville	Normand
O'Brien (Labrador)	O'Brien (London—Fanshawe)
O'Reilly	Owen
Paradis	Parrish
Patry	Peterson
Phinney	Pickard (Chatham—Kent Essex)
Pratt	Price
Proulx	Redman
Reed (Halton)	Regan
Richardson	Robillard
Saada	Savoy
Scherrer	Scott
Sgro	Shepherd

*Government Orders*

Speller  
St-Jacques  
Stewart  
Thibault (West Nova)  
Tirabassi  
Tonks  
Valeri  
Whelan  
Wood—145

St. Denis  
St-Julien  
Szabo  
Thibeault (Saint-Lambert)  
Tobin  
Torsney  
Vanelief  
Wilfert

## PAIRED MEMBERS

\*Nil/aucun

**The Speaker:** I declare the motion lost.

\* \* \*

[*English*]

## EMPLOYMENT INSURANCE ACT

The House resumed consideration of the motion that Bill C-2, an act to amend the Employment Insurance Act and the Employment Insurance (Fishing) Regulations, be read the second time and referred to a committee.

**The Speaker:** Pursuant to order made earlier this day, the House will now proceed to the taking of the deferred recorded division at second reading stage of Bill C-2.

**Ms. Marlene Catterall:** Mr. Speaker, if the House would agree, I would propose that you seek unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting in favour.

**The Speaker:** Is there unanimous consent to proceed in this fashion?

**Some hon. members:** Agreed.

**Mr. John Reynolds:** Mr. Speaker, we will be voting no to the motion.

[*Translation*]

**Mr. Stéphane Bergeron:** Mr. Speaker, the members of the Bloc Québécois vote against this motion.

**Mr. Yvon Godin:** Mr. Speaker, the members of the NDP vote yes on this motion.

[*English*]

**Mr. Rick Borotsik:** Mr. Speaker, members of the Progressive Conservative Party will vote yes to the motion.

**The Speaker:** I see we have a number of points of order. I assume these are about voting.

**Mr. Tom Wappel:** Mr. Speaker, I am voting in favour of the motion.

**Mr. Ivan Grose:** Mr. Speaker, I would like it recorded that I am in favour of the motion.

**Mrs. Brenda Chamberlain:** Mr. Speaker, I am voting in favour of the motion.

**Mr. Janko Perić:** Mr. Speaker, I am honoured to vote in favour of the motion.

**Mr. Roger Gallaway:** Mr. Speaker, I am voting in favour of the motion.

**Mrs. Rose-Marie Ur:** Mr. Speaker, I want to be recorded as voting yes to the motion.

**Mr. Andrew Telegdi:** Mr. Speaker, I am voting in favour of the motion.

**Mr. Paul Steckle:** Mr. Speaker, let it be recorded that I am voting with the government on the motion.

**Mr. Leon Benoit:** Mr. Speaker, I would like to be recorded as voting against the motion.

**Ms. Marlene Catterall:** Mr. Speaker, I would like to point out that the Minister of Industry is not here for this vote. He was for the previous one, so he should not be recorded as voting.

• (1855)

[*Translation*]

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 6*)

## YEAS

## Members

Adams	Alcock
Allard	Anderson (Victoria)
Assad	Assadourian
Augustine	Bachand (Richmond—Arthabaska)
Bagnell	Bakopanos
Barnes	Beaunier
Bélair	Bélanger
Bellemare	Bennett
Bertrand	Bevilacqua
Binet	Blaikie
Bonin	Borotsik
Boudria	Bradshaw
Brison	Brown
Bryden	Bulte
Byrne	Caccia
Calder	Cannis
Caplan	Carignan
Carroll	Casey
Castonguay	Catterall
Cauchon	Chamberlain
Charbonneau	Clark
Coderre	Collenette
Comartin	Comuzzi
Cotler	Cullen
Cuzner	Davies
Desjarlais	DeVillers
Dhaliwal	Dion
Doyle	Dromisky
Drouin	Duhamel
Duplain	Easter
Eggleton	Eyking
Farrah	Finlay
Fontana	Fry
Gagliano	Gallaway
Godfrey	Godin
Goodale	Graham
Gray (Windsor West)	Grose
Guarnieri	Harb
Harvard	Harvey
Hearn	Herron
Hubbard	Ianno
Jackson	Jennings
Jordan	Karetak-Lindell
Keddy (South Shore)	Keyes
Kilgour (Edmonton Southeast)	Knutson
Kraft Sloan	Laliberte

Lastewka  
LeBlanc  
Lill  
MacAulay  
Macklin  
Malhi  
Manley  
Marleau  
Martin (Winnipeg Centre)  
McCallum  
McDonough  
McKay (Scarborough East)  
McTeague  
Minna  
Murphy  
Nault  
Normand  
O'Brien (Labrador)  
O'Reilly  
Paradis  
Patry  
Peterson  
Pickard (Chatham—Kent Essex)  
Price  
Proulx  
Reed (Halton)  
Richardson  
Robinson  
Savoy  
Scott  
Shepherd  
St. Denis  
St-Julien  
Stewart  
Szabo  
Thibault (West Nova)  
Thompson (New Brunswick Southwest)  
Tonks  
Ur  
Vanclief  
Wasylcia-Leis  
Whelan  
Wood—177

Lavigne  
Lee  
Longfield  
MacKay (Pictou—Antigonish—Guysborough)  
Mahoney  
Maloney  
Marcil  
Martin (LaSalle—Émard)  
Matthews  
McCormick  
McGuire  
McLellan  
Mills (Toronto—Danforth)  
Mitchell  
Myers  
Neville  
Nystrom  
O'Brien (London—Fanshawe)  
Owen  
Parrish  
Peric  
Phinney  
Pratt  
Proctor  
Redman  
Regan  
Robillard  
Saada  
Scherrer  
Sgro  
Speller  
St-Jacques  
Steckle  
Stoffer  
Telegdi  
Thibeault (Saint-Lambert)  
Tirabassi  
Torsney  
Valeri  
Wappel  
Wayne  
Wilfert

## NAYS

### Members

Ablonczy  
Anderson (Cypress Hills—Grasslands)  
Bachand (Saint-Jean)  
Bellehumeur  
Bergeron  
Bourgeois  
Brien  
Cadman  
Casson  
Crête  
Dalphond-Guiral  
Desrochers  
Duceppe  
Elley  
Fitzpatrick  
Fournier  
Gagnon (Québec)  
Gauthier  
Gouk  
Grey (Edmonton North)  
Guimond  
Harris  
Hilstrom  
Johnston  
Laframboise  
Lancôt  
Loubier  
Lunney (Nanaimo—Alberni)  
Marceau  
Martin (Esquimalt—Juan de Fuca)  
McNally

Anders  
Asselin  
Bailey  
Benoit  
Bigras  
Breitkreuz  
Burton  
Cardin  
Chatters  
Cummins  
Day  
Dubé  
Duncan  
Epp  
Forseth  
Gagnon (Champlain)  
Gallant  
Girard-Bujold  
Grewal  
Guay  
Hanger  
Hill (Macleod)  
Hinton  
Kenney (Calgary Southeast)  
Lalonde  
Lebel  
Lunn (Saanich—Gulf Islands)  
Manning  
Mark  
Mayfield  
Ménard

## Government Orders

Meredith  
Moore  
Pallister  
Paquette  
Perron  
Picard (Drummond)  
Rajotte  
Reynolds  
Rocheleau  
Sauvageau  
Sorenson  
St-Hilaire  
Thompson (Wild Rose)  
Tremblay (Lac-Saint-Jean—Saguenay)  
Vellacott  
White (Langley—Abbotsford)  
Williams  
Merrifield  
Obhrai  
Pankiw  
Penson  
Peschisolido  
Plamondon  
Reid (Lanark—Carleton)  
Ritz  
Roy  
Skelton  
Spencer  
Strahl  
Toews  
Tremblay (Rimouski-Neigette-et-la Mitis)  
Venne  
White (North Vancouver)  
Yelich—96

## PAIRED MEMBERS

\*Nil/aucun

**The Speaker:** I declare the motion carried.

(Bill read the second time and referred to a committee)

\* \* \*

[English]

## FINANCIAL CONSUMER AGENCY OF CANADA ACT

The House resumed from February 12 consideration of the motion that Bill C-8, an act to establish the financial consumer agency of Canada and to amend certain acts in relation to financial institutions, be read the second time and referred to a committee.

**The Speaker:** The House will now proceed to the taking of the deferred recorded division on the motion at second reading of Bill C-8.

**Ms. Marlene Catterall:** Mr. Speaker, if the House would agree, I would propose again you seek unanimous consent that the members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting in favour, including the Minister of Industry who is back in the House.

**The Speaker:** Is there unanimous consent to proceed in this fashion?

**Some hon. members:** Agreed.

**Mr. John Reynolds:** Mr. Speaker, members of the Canadian Alliance are voting yes to this motion.

[Translation]

**Mr. Stéphane Bergeron:** Mr. Speaker, the members of the Bloc Québécois oppose this motion.

[English]

**Mr. Yvon Godin:** Mr. Speaker, members of the NDP are voting no to this motion.



*Government Orders*

[Translation]

**Mr. Rick Borotsik:** Mr. Speaker, the members of the Progressive Conservative Party vote yes to this motion.

(The House divided on the motion, which was agreed to on the following division:)

*(Division No. 7)***YEAS**

## Members

Ablonczy	Adams
Alcock	Allard
Anders	Anderson (Cypress Hills—Grasslands)
Anderson (Victoria)	Assad
Assadourian	Augustine
Bachand (Richmond—Arthabaska)	Bagnell
Bailey	Bakopanos
Barnes	Beaumier
Bélair	Bélangier
Bellemare	Bennett
Benoit	Bertrand
Bevilacqua	Binet
Bonin	Borotsik
Boudria	Bradshaw
Breitkreuz	Brison
Brown	Bryden
Bulte	Burton
Byrne	Caccia
Cadman	Calder
Cannis	Caplan
Carignan	Carroll
Casey	Casson
Castonguay	Catterall
Cauchon	Chamberlain
Charbonneau	Chatters
Clark	Coderre
Collette	Comuzzi
Cotler	Cullen
Cummins	Cuzner
Day	DeVillers
Dhaliwal	Dion
Doyle	Dromisky
Drouin	Duhamel
Duncan	Duplain
Easter	Eggleton
Elley	Epp
Eyking	Farrar
Finlay	Fitzpatrick
Fontana	Forseth
Fry	Gagliano
Gallant	Galloway
Godfrey	Goodale
Gouk	Graham
Gray (Windsor West)	Grewal
Grey (Edmonton North)	Grose
Guarnieri	Hanger
Harb	Harris
Harvard	Harvey
Hearn	Herron
Hill (Macleod)	Hilstrom
Hinton	Hubbard
Ianno	Jackson
Jennings	Johnston
Jordan	Karetak-Lindell
Keddy (South Shore)	Kenney (Calgary Southeast)
Keys	Kilgour (Edmonton Southeast)
Knutson	Kraft Sloan
Laliberte	Lastewka
Lavigne	LeBlanc
Lee	Longfield
Lunn (Saanich—Gulf Islands)	Lunney (Nanaimo—Alberni)
MacAulay	MacKay (Pictou—Antigonish—Guysborough)
Macklin	Mahoney
Malhi	Maloney
Manley	Manning
Marcl	Mark
Marleau	Martin (Esquimalt—Juan de Fuca)
Martin (LaSalle—Émard)	Matthews
Mayfield	McCallum
McCormick	McGuire
McKay (Scarborough East)	McLellan

McNally	McTeague
Meredith	Merrifield
Mills (Toronto—Danforth)	Minna
Mitchell	Moore
Murphy	Myers
Nault	Neville
Normand	O'Brien (Labrador)
O'Brien (London—Fanshawe)	O'Reilly
Obhrai	Owen
Pallister	Pankiw
Paradis	Parrish
Patry	Penson
Peric	Peschisolido
Peterson	Phinney
Pickard (Chatham—Kent Essex)	Pratt
Price	Proulx
Rajotte	Redman
Reed (Halton)	Regan
Reid (Lanark—Carleton)	Reynolds
Richardson	Ritz
Robillard	Saada
Savoy	Scherrer
Scott	Sgro
Shepherd	Skelton
Sorenson	Speller
Spencer	St. Denis
St-Jacques	St-Julien
Steckle	Stewart
Strahl	Szabo
Telegdi	Thibault (West Nova)
Thibeault (Saint-Lambert)	Thompson (New Brunswick Southwest)
Thompson (Wild Rose)	Tirabassi
Tobin	Toews
Tonks	Torsney
Ur	Valeri
Vanclief	Vellacott
Wappel	Wayne
Whelan	White (Langley—Abbotsford)
White (North Vancouver)	Wilfert
Williams	Wood
Yelich—223	

**NAYS**

## Members

Asselin	Bachand (Saint-Jean)
Bellehumeur	Bergeron
Bigras	Blaikie
Bourgeois	Brien
Cardin	Comartin
Crête	Dalphon-Guiral
Davies	Desjarlais
Desrochers	Dubé
Duceppe	Fournier
Gagnon (Champlain)	Gagnon (Québec)
Gauthier	Girard-Bujold
Godin	Guay
Guimond	Laframboise
Lalonde	Lancôt
Lebel	Lill
Loubier	Marceau
Martin (Winnipeg Centre)	McDonough
Ménard	Nystrom
Paquette	Perron
Picard (Drummond)	Plamondon
Proctor	Robinson
Rocheleau	Roy
Sauvageau	St-Hilaire
Stoffer	Tremblay (Lac-Saint-Jean—Saguenay)
Tremblay (Rimouski-Neigette-et-la Mitis)	Venne
Wasylycia-Leis—51	

**PAIRED MEMBERS**

\*Nil/aucun

**The Speaker:** I declare the motion carried.

*Government Orders*

(Bill read the second time and referred to a committee)

● (1900)

(The House divided on the motion, which was agreed to on the following division:)

\* \* \*

(Division No. 8)

*[English]***SPEECH FROM THE THRONE**

## RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from February 9 consideration of the motion for an address to Her Excellency the Governor General in reply to her speech at the opening of the session.

**The Speaker:** Pursuant to order made on Friday, February 9, 2001, the House will now proceed to the taking of the deferred recorded division on the motion relating to the Address in Reply to the Speech from the Throne.

*[Translation]*

**Ms. Marlene Catterall:** Mr. Speaker, if you were to seek it, the House would give its consent that members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members being recorded as voting *yea*.

**The Speaker:** Is there unanimous consent to proceed in this fashion?

**Some hon. members:** Agreed.

*[English]*

**Mr. John Reynolds:** Mr. Speaker, members of the Canadian Alliance Party will vote a resounding no to this motion.

*[Translation]*

**Mr. Stéphane Bergeron:** Mr. Speaker, the members of the Bloc Québécois will vote against this motion.

**Mr. Yvon Godin:** Mr. Speaker, the members of the NDP will vote against this motion.

*[English]*

**Mr. Rick Borotsik:** Mr. Speaker, members of the Progressive Conservative Party vote no to this motion.

Members	YEAS
Adams	Alcock
Allard	Anderson (Victoria)
Assad	Assadourian
Augustine	Bagnell
Bakopanos	Barnes
Beaumier	Bélaïr
Bélanger	Bellemare
Bennett	Bertrand
Bevilacqua	Binet
Bonin	Boudria
Bradshaw	Brown
Bryden	Bulte
Byrne	Caccia
Calder	Cannis
Caplan	Carignan
Carroll	Castonguay
Catterall	Cauchon
Chamberlain	Charbonneau
Coderre	Collenette
Comuzzi	Cotler
Cullen	Cuzner
DeVillers	Dhaliwal
Dion	Dromisky
Drouin	Duhamel
Duplain	Easter
Eggleton	Eyking
Farrah	Finlay
Fontana	Fry
Gagliano	Galloway
Godfrey	Goodale
Graham	Gray (Windsor West)
Grose	Guarnieri
Harb	Harvard
Harvey	Hubbard
Ianno	Jackson
Jennings	Jordan
Karetak-Lindell	Keyes
Kilgour (Edmonton Southeast)	Knutson
Kraft Sloan	Laliberte
Lastewka	Lavigne
LeBlanc	Lee
Longfield	MacAulay
Macklin	Mahoney
Malhi	Maloney
Manley	Marcil
Marleau	Martin (LaSalle—Émard)
Matthews	McCallum
McCormick	McGuire
McKay (Scarborough East)	McLellan
McTeague	Mills (Toronto—Danforth)
Minna	Mitchell
Murphy	Myers
Nault	Neville
Normand	O'Brien (Labrador)
O'Brien (London—Fanshawe)	O'Reilly
Owen	Paradis
Parrish	Patry
Peric	Peterson
Phinney	Pickard (Chatham—Kent Essex)
Pratt	Price
Proulx	Redman
Reed (Halton)	Regan
Richardson	Robillard
Saada	Savoy
Scherrer	Scott
Sgro	Shepherd Speller
St. Denis	St-Jacques
St-Julien	Steckle
Stewart	Szabo
Telegdi	Thibault (West Nova)
Thibeault (Saint-Lambert)	Tirabassi
Tobin	Tonks
Torsney	Ur
Valeri	Vanclief
Wappel	Whelan
Wilfert	Wood—153

S. O. 52

## NAYS

## Members

Ablonczy	Anders
Anderson (Cypress Hills—Grasslands)	Asselin
Bachand (Richmond—Arthabaska)	Bachand (Saint-Jean)
Bailey	Bellehumeur
Benoit	Bergeron
Bigras	Blaikie
Borotsik	Bourgeois
Breitkreuz	Brien
Brisson	Burton
Cadman	Cardin
Casey	Casson
Chatters	Clark
Comartin	Crête
Cummins	Dalphond-Guiral
Davies	Day
Desjarlais	Desrochers
Doyle	Dubé
Duceppe	Duncan
Elley	Epp
Fitzpatrick	Forseth
Fournier	Gagnon (Champlain)
Gagnon (Québec)	Gallant
Gauthier	Girard-Bujold
Godin	Gouk
Grewal	Grey (Edmonton North)
Guay	Guimond
Hanger	Harris
Hearn	Herron
Hill (Macleod)	Hilstrom
Hinton	Johnston
Keddy (South Shore)	Kenney (Calgary Southeast)
Laframboise	Lalonde
Lancôt	Lebel
Lill	Loubier
Lunn (Saanich—Gulf Islands)	Lunney (Nanaimo—Alberni)
MacKay (Pictou—Antigonish—Guysborough)	Manning
Marceau	Mark
Martin (Esquimalt—Juan de Fuca)	Martin (Winnipeg Centre)
Mayfield	McDonough
McNally	Ménard
Meredith	Merrifield
Moore	Nystrom
Obhrai	Pallister
Pankiw	Paquette
Penson	Perron
Peschisolido	Picard (Drummond)
Plamondon	Proctor
Rajotte	Reid (Lanark—Carleton)
Reynolds	Ritz
Robinson	Rocheleau
Roy	Sauvageau
Skelton	Sorenson
Spencer	St-Hilaire
Stoffer	Strahl
Thompson (New Brunswick Southwest)	Thompson (Wild Rose)
Toews	Tremblay (Lac-Saint-Jean—Saguenay)
Tremblay (Rimouski-Neigette-et-la Mitis)	Vellacott
Venne	Wasylcia-Leis
Wayne	White (Langley—Abbotsford)
White (North Vancouver)	Williams
Yelich—121	PAIRED MEMBERS

\*Nil/aucun

**The Speaker:** I declare the motion carried.

[Translation]

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.)** moved:

That the Address be engrossed and presented to Her Excellency the Governor General by the Speaker.

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

**Some hon. members:** Agreed.

(Motion agreed to)

## EMERGENCY DEBATE

[English]

## AGRICULTURE

**The Deputy Speaker:** The House will now proceed to the consideration of a motion to adjourn the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the agricultural policy.

**Mr. Rick Borotsik (Brandon—Souris, PC)** moved:

That this House do now adjourn.

He said: Mr. Speaker, first I thank the Speaker for allowing this very important debate on agriculture as we all recognize that agriculture is going through some very strenuous times today. Also, I will be splitting my time with the hon. member for Calgary Centre.

Too often members of society outside the agricultural sector have a tendency to believe that farmers and agricultural producers have a tendency to cry wolf. Perhaps they should think—

**Mr. Gerald Keddy:** Mr. Speaker, I rise on a point of order. With all due respect to my hon. colleague, there are several meetings going on here between members of parliament that should take place behind the curtain. This is an extremely important issue that needs to be discussed in the House and should be listened to.

**The Speaker:** I could not agree more with the hon. member for South Shore. I have tried to encourage hon. members to refrain from carrying on their discussions in the House. The hon. member for Brandon—Souris has a very powerful voice and one can hear

him but they are distracting. I urge hon. members to carry on their conversations outside the House so we can hear the debate.

**Mr. Rick Borotsik:** Mr. Speaker, I know you have control of the House as you have had for any number of years. I do appreciate that.

This is a very important issue, not only to my constituents but to constituents across our great country who work the land, who plant the seeds and who harvest those seeds to make sure that we as Canadians have a reliable, cheap food supply.

I will base my discussion on three tenets. Canadians are continually asking me why agriculture finds itself in the position it is in today. In order to answer that we must recognize a number of things.

The first problem is that there is a very unlevel playing field in the world today. There is a very unlevel playing field in the subsidies that are being provided by our major trading partners, the European Union and the United States of America.

• (1905)

Canadians have not been given the same opportunity to compete on a level playing field.

In 1997 for every dollar Canadians spent on farm support, Americans spent \$2.06, the European Union spent \$2.14 and Japan spent \$3.47. There is a terrible disparity between the agricultural support systems of other jurisdictions and that of Canada.

Canada spends .78% of its GDP on agricultural support while the U.S. spends 1.07% of its GDP on agricultural support. We do not have a level playing field with respect to world subsidies.

The second problem in agriculture right now is the fact that costs are going up at an alarming rate. It costs farmers and producers substantially more to put in a crop today than it did yesterday.

We all recognize that gasoline and fuel costs have gone up quite dramatically. The government recognized that by giving Canadians an energy rebate. The cost of putting gasoline into tractors, combines and other farm equipment went from 37 cents a litre to over 50 cents a litre for the crop year starting in 2000. Those costs are horrendous considering the number of acres farmed across the country.

One of the major inputs to produce a crop is fertilizer. One of the major components in raw materials such as fertilizer is natural gas. We recognize that the cost of natural gas has increased substantially over the last while. Nitrogen has in some cases gone from 16 cents a pound to 40 cents a pound this spring.

That may not mean a lot to those who live in downtown Toronto, Vancouver or Ottawa, but when a crop is put in the ground those

inputs are required in order to get a yield. The costs cannot be recovered. Unfair subsidies and the cost of production have gone up dramatically.

The third problem is the value of the commodity coming back to the producer. In 1996-97 a producer received \$5.50 a bushel for wheat. Today that same bushel of wheat is returning \$2.45. If we look at the increase in input costs, at the unfair subsidies and at the commodity values that come back to the producer, how can a farmer stay in business?

Canola, a crop that I see every day of my life with its wonderful yellow flowers growing out of the ground, returned \$10 a bushel in 1996-97. That same cash crop today is now \$5.18. The value of the commodity has dropped dramatically.

Half my time in my constituency is spent dealing with agricultural problems. People 60 years of age, farmers who have been in the industry all their lives, have come into my office and said that they will not put in a crop this year. They own their land, they are 60 years of age, and they are tired of wasting their money every year. They not prepared to do it any more. Farmers are walking away. They are putting the land back into an inventory and renting it out.

A friend of mine who lives in a certain area just south of my city said that there are 50 more quarter sections of land for rent this year than there were last year. The producers are walking away and trying to rent land. Land values are coming down. Rental values are coming down. Those individuals, unfortunately, are no longer part of our agricultural society. We lost 21,200 farmers last year alone. There are 21,200 fewer farmers this year than last year, and believe me, when people say no, those are the facts. That is the truth. Let us quit sticking our heads in the sand. Let us put support systems in place so that our farmers can stay on the land.

• (1910)

The last question I have before I turn the discussion over to the right hon. member for Calgary Centre is, what can and what should we do?

On that side of the House prior to the election, the government decided and had the political will to give Canadians an energy rebate. Somehow \$1.3 billion was found and distributed with the snap of a finger. I will not argue whether it was right or wrong, only that there was a political will to do it.

There are dollars available in government coffers right now. There has to be a political will to help farmers through the next planting season. Those dollars can be distributed in any number of ways.

I do not want to hear that it is countervailable or that there is a trade issue here. We have \$2 billion of wiggle room in the WTO



*S. O. 52*

agreement we negotiated with the United States. We have the room. We have the money. We need the will.

We need two things. We need an immediate cash infusion into the agricultural community. Then we need something more. We need a vision and an understanding as to where agriculture is going in the country. We need a vision. We need a long term support program. We need something farmers can latch onto to give them hope for the future.

I have a 40 year old cousin who has farmed all his life. He is asking himself whether he should continue or quit farming. He needs a glimmer of hope to be able to continue to farm. He wants to continue but he wants the opportunity to provide his family a livelihood. He does not want to lose money any more, year after year after year, and have a government that is not prepared to assist.

I thank the Speaker of the House for allowing my constituents to have their say on what is happening with respect to agriculture and to their communities. It is not only agriculture that is in jeopardy, it is also the communities that feed off agriculture. Canada is losing its rural communities and it is up to the government to give them the opportunity, the hope, the assistance and the support they need to continue in agriculture.

**Right Hon. Joe Clark (Calgary Centre, PC):** Mr. Speaker, I thank the House and my colleague for Brandon—Souris for taking the initiative to have this essential debate.

This is not just a debate about lives and livelihoods, although it is that. It is also a debate about the security of the country, the food security of the country. We face a situation in which our capacity not only to be a supplier to the world but to look after our own interests is increasingly being jeopardized.

I heard a moment ago a dispute from one of the Liberal members questioning the figures put forward by my colleague from Brandon—Souris about the number of farmers who are off the land in prairie Canada, my part of Canada. The figure I have is 22,000.

Whether it is 22,000, 21,000 or 20,000, far too many Canadians are going off the land now. This is not just an arid statistic. This is a reality that is changing the nature of western Canada, the nature of Ontario and the nature of the constituency I had the honour to represent so briefly last fall, Kings—Hants in Nova Scotia. It is also putting at risk Canada's capacity to be an agricultural producer and a country that can grow the food it requires and use that food for technology in the future.

I am not here to argue the numbers of people who are going off the land. I am arguing that the House of Commons and the government has to pay attention now to this crisis. There has to be a response immediately. That is not because there were trucks and tractors on the streets in Cornwall the other day. It is because there

is a very real threat to the capacity of Canada to maintain its food producing ability, and it extends right across the nation.

There is a need for an immediate cash infusion, and I emphasize the word immediate.

• (1915 )

Farmers need to know now if there will be money available to them from the government. They do not have the luxury of waiting. They are arranging right now, as we speak in debate here, visits to their bankers so they can arrange a line of credit in March and April in order to be on the fields in May.

If we continue to delay and the government does not act, more farms will shut down across Ontario, the prairies, Quebec and the Atlantic provinces. That is the crisis we are facing. There is a need now for the minister of agriculture to stand in the House and indicate that not only will there be an immediate cash infusion but, as we move beyond emergency aid, that there will also be a long term program.

We proposed in the last election campaign a program based upon the old principles of GRIP. We did not win the election, but let me say to the House that the principles of that program, which were criticized at the time, have proven themselves to be a basis on which we can provide some security to agriculture in the future. If it is not a program of the kind we proposed, there at least has to be, for the long term interest of the country, immediate action now to deal with cash infusion quickly and to ensure that there is long term action on agriculture.

[*Translation*]

It is not just about one region of the country. Farmers across Canada are affected. We saw the protests on the Hill. Yesterday, a rally was held in Cornwall, Ontario. Farmers blocked highways so that they would be listened to. The concerns about the future of family farms are very real.

On February 9, the provincial ministers of agriculture met in Regina and agreed that the financial situation of farmers is precarious and that they desperately need help from Ottawa.

It is anticipated that Manitoba farmers will face a 19% drop in their realized net income for the year 2000, compared to the average for 1995-96. In Saskatchewan, the drop will be 56%, while farmers in Prince Edward Island will probably face a 60% reduction in their realized net income, again compared to the average for 1995-96.

These forecasts are particularly disturbing for Canadian farmers trying to compete with producers abroad who benefit from high levels of subsidies.

[English]

The other day in the House, before the Prime Minister went to see President Bush, he made a clear commitment to the House and to farmers across the country that he would do something about the unacceptably high level of subsidy that the American government puts into their farm producers.

I do not know what results have occurred, but I say to the Prime Minister, in his absence, that if he is unable to persuade the Americans to reduce their subsidies, and the evidence is he cannot get them to bring theirs down, then he has a clear obligation to ensure that there is financial support to Canadian farmers who are suffering in comparison, who are not getting the help from their government that American producers are getting from their government.

Can this be done? Do we have the money to do that? Let us put it into context. Do we have the money to protect one of the basic industries of Canada and stop it from the gradual slide toward extinction, which we are now seeing? Yes, we have the money for that if we have the will. Do we have the right under the World Trade Organization? Yes, we have the right.

Officials of the Government of Canada have made it very clear that there is at least \$2 billion worth of what they call wiggle room, which would allow us to put money into Canadian agriculture in the same way that countries with whom our producers have to compete put money into their agriculture.

• (1920 )

I will wind down. I am just a city boy from Calgary, but one of the things I learned in Calgary, in a city centre constituency, is that even though we do not grow the grain and produce the product right there in the city, the economy of my city depends upon the strength of agriculture. The economy and security of people right across the country depend upon the strength of agriculture.

Agriculture used to be a dominant industry in Canada. It has slipped away from the centre of public attention. That has to stop and we in the House of Commons have to make it stop. It is not a question of food, although being able to ensure that there is a safe and adequate supply of food is of fundamental importance. It is also a question of the other things that we could do with agriculture.

There is not an industry in the nation that has been more finely tuned to high technology, to innovation, than the agricultural industry. It is not an industry of the past. It is very much an industry of the Canadian future, unless we snuff it out and let it drift away. The government has been letting it drift away by its failure to bring in either the kind of emergency assistance or the kind of long range planning that is needed.

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We speak often about quality of life. We speak often about the importance of community. This is a nation of values, and some of the values of our nation are values deeply rooted in rural Canada. Rural Canada, while it is becoming more and more diverse now, had its inspiration from a reliance upon resource industries and upon agriculture.

If we let the industry fail as is happening now, we run the risk of changing the very nature of the country and of undermining values that are fundamentally important. I ask the minister and I ask the government to act immediately to get money into the system for people who need to see their bankers tomorrow, and then to bring before the House long range programs that will introduce a degree of stability into Canadian agriculture to let us be as proud and productive a producing country in the future as we have been in the past.

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I would like to say at the start that I will be sharing my time with the member for Parry Sound—Muskoka. I appreciate the opportunity to make some comments in the House of Commons tonight about this important sector of the Canadian economy and the very important subject we are talking about in reference to it.

First, I state unequivocally that our commitment to Canadian farmers is strong. The government understands and appreciates the immeasurable contribution that farmers make to our lives and to all our communities. Whether we are in urban Canada or in rural Canada they provide all of us with a safe supply of nutritious and high quality food at reasonable prices.

They generate domestic and international sales of more than \$100 billion a year. More than 14% of Canadian jobs, which is one in seven working Canadians, are in the agriculture and the agrifood sector. It accounts for about 9% of our gross domestic product. It is a huge sector. It is one that is highly productive.

Canadian farmers, as has been said and I agree, are very efficient. Their products are admired the world over. Productive and efficient as our farmers are, that does not protect them from the whims of mother nature and the vagaries of global markets. As a former farmer I know all too well the many aspects of farming that are beyond the control of any individual or any government.

Canadian farmers face a number of challenges, whether they be weather, world markets, the pace of globalization, environmental issues or growing consumer concerns about the food they eat. I could go on. Front and centre right now, however, is farm income, particularly in the grains and oilseed sector. Because of overproduction in some parts of the world, some of it stemming from massive trade distorting subsidies in other countries, world grain prices are low. Our grain farmers are bearing the brunt of those low

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prices. We are working hard to address this situation in a number of ways, some of which I will elaborate on in a minute.

• (1925)

However I would be remiss not to point out that other sectors in our agriculture industry are doing reasonably well, such as the dairy sector, the livestock sector and the poultry sector. Nevertheless, for those farmers who are grappling with serious income shortfalls, the government has worked and will continue to work with farm organizations and provinces.

In the last five years alone we have, along with the provinces, invested \$7.1 billion to help stabilize farm incomes in safety net programs. The federal contribution to whole farm safety nets will be \$1.1 billion a year over the next three years. Coupled with the provinces, that means \$5.5 billion in safety nets alone over the next three years. That is almost double what was set aside when I became Minister of Agriculture and Agri-Food in June 1997.

Very few of the members opposite have had the experience of getting all provincial ministers or a group of provincial governments on board for a national initiative. Last summer we were able to get all 10 provinces to sign on to our farm safety net agreement. It was a real and meaningful achievement.

However that is not the end of the story. We continue to work hard for farmers who are in need. I am meeting with provincial agriculture ministers next month and, as members of the House know very well, under the Canadian constitution the provinces and the federal government share the responsibility of agriculture.

We need to do more and we will do more. The government recognizes that if our agriculture and agrifood industry is to prosper and grow then, as we said in the throne speech, we must move beyond crisis management.

While we need to address the immediate farm income situation, we also need to examine this challenge in a broader context. The reputation of Canadian agriculture and agrifood products rests on consistency and high quality. Having talked to customers around the world I can say that this reputation for quality is virtually unmatched by any other country.

Increasingly customers both in Canada and around the world are asking more questions about the source of their food and about the relationship between its production and the environment, for example. They have the right to ask those questions. If consumers for some reason were to lose confidence in our products everything else would become moot. In agriculture, no less than any other business endeavour, the customer is absolutely key.

Therefore we must continue to hone and improve our food inspection system, which I am proud to say is one of the best in the

world. We must keep it that way. As we work to address the income problems of some of our producers, we must also tackle the very real environmental challenges inherent in farming, not the least of which is ensuring that the sustainability of our precious water and soil resources is maintained.

To be able to do these things we must remain focused as well on research and innovation. In their determination to maintain their worldwide reputation for excellence and efficiency Canadian farmers are constantly seeking out and adopting the newest technologies and practices. Research, therefore, is no less important to agriculture than it is to the high tech and communications sectors. Last year we spent \$250 million which was dedicated federal money for research conducted in our 19 research centres across Canada.

We are also working extremely hard on the international trade front and will continue to do so. Over the past decade Canada's agriculture and agrifood exports have almost doubled. We are an exporting nation. We produce far more than we can eat and use in Canada. They have almost doubled to \$20 billion a year.

• (1930)

At the World Trade Organization and at every opportunity we have to meet at all levels with representatives or individuals of agricultural and trading nations. Through our international fora such as the Cairns Group we are working to improve access for Canadian products abroad and to change international trading rules so that our farmers do not suffer at the hands of other countries' farm subsidy policies.

As part of our position at the WTO, we will also maintain our right to operate domestic marketing systems such as the Canadian Wheat Board and the supply management systems that have served Canadians well. It is the high farm subsidies provided by some of our trading partners that have contributed to overproduction and depressed prices in commodities such as grain. I want to point out that the Government of Canada's WTO negotiating position was not arrived at in isolation. Our approach to addressing this was to discuss it with other countries. It was also done in collaboration with the industry, and I pledge to continue that consultation as we go forward.

In closing, I want to say that farm income is not an issue in isolation from all other issues facing farmers. It is an important one and one that we need to continue to address. However, the other issues also include: environmental sustainability; food safety; maintaining existing markets and finding new markets; having access to the best science and technology and the best minds available; and adapting to today's realities.

The government recognizes that these issues, like farming itself, are extremely complex and that we have to be more proactive, that we have to do more, now more than ever. We have to work with the

provinces to ensure that our farmers are able to ride out the storms, whether they be caused by economic forces or by forces of nature.

The government and I, as minister, pledge to give that our best effort, to seek all the resources we possibly can, and to give it the highest possible priority in order to focus on the farm income issue and all of the other issues in the complex agricultural industry. Our farmers deserve no less.

**Hon. Andy Mitchell (Secretary of State (Rural Development)(Federal Economic Development Initiative for Northern Ontario), Lib.):** Mr. Speaker, allow me to say how pleased I am to see a colleague from northern Ontario in the chair. Congratulations on your appointment to your position.

I am particularly pleased to have an opportunity this evening in this special debate to talk about the issues of agriculture and agricultural producers, as well as to talk about the importance of the broader issues in the way that they impact on rural Canada and rural Canadians.

We are having a discussion tonight, but there are some things that I do not think are up for debate. One of them is the importance of the agricultural sector to Canada, to the Canadian economy and particularly to rural Canada. I do not think there is any question about that. The other thing I do not think there is really much debate about is the fact that there are serious challenges facing the agricultural sector and, as a result of that, challenges that are faced by rural Canada and rural Canadians in general.

I am pleased that we have the opportunity to have this discussion tonight and to have members from all sides of the House participate in the discussion. As the evening goes on and we listen to members from both sides of the House, I hope that we are going to hear suggestions, possible solutions and strategies.

I do not think that members of the House and Canadians watching are really overly interested in people pointing fingers and laying blame. There may be a place and a time for that, but what we are all about in the House, and what I hope the debate is all about tonight, is finding solutions for our agricultural industry, finding the ways that we as a government, that we collectively as members of parliament, can come together, as we need to, to find solutions. I hope that is what this debate is all about.

As the Minister of Agriculture and Agri-Food pointed out in his comments, a lot has been done in the last several years with respect to responding to the needs of our agricultural producers. The minister talked about the substantial increases in safety nets that have been put in place since he took over the portfolio. He talked about the agreement with the provinces. It was a very important step to bring all 10 provinces together with the federal government to sign an agreement on agriculture. It was an agreement that saw no province receive less funding and several provinces receive

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increased funding as part of that envelope, and of course last year we saw additional support specifically targeted to Manitoba and Saskatchewan.

• (1935)

As important as agriculture is, and it is extremely important, it is part of a broader context of rural Canada and rural Canadians. It is part of a very special part of the nation. Rural Canada is part of the social fabric of the nation. There are members on all sides of the House who come from rural Canada. It is special and unique place, a place of very special traditions and very special institutions.

When we talk about the agricultural industry, I believe we need to talk as well in the broader context of securing the future of rural Canada. It is important to see the scope and the breadth of rural Canada. Yes, it includes those rural agricultural communities of Saskatchewan and it includes the dairy producers of eastern Ontario. However, rural Canada also includes the mining communities in northern Ontario, as you know very well, Mr. Speaker, and the communities in the interior of British Columbia that depend on forestry or the outports of Newfoundland that depend on fisheries. Rural Canada is, in a large sense, based on our resource industries, including agriculture, and we need to deal not only with agriculture but with all of those issues that are faced by resource industries and by those communities that are dependent on resources for their livelihood.

I believe there is a very clear commitment from the government for dealing with rural Canada. The creation and existence of the position that I hold, that of Secretary of State for Rural Development, is something that had not existed in the government before the Prime Minister made the appointment. It is a belief that we can as a government, that we should as a government, that it is imperative as a government for us to work on the issues of rural Canada and to understand that the challenges faced by rural Canadians, although they share many of the same issues with urban Canadians, are different.

We have to deal with the issue of geography and what that means in delivering services over large distances. We have to deal with the issue of population density and what that means toward attracting investment into rural areas. We have to deal with the whole issue of the cyclical nature of our resource based industries and what that means in terms of the public policy that has to be pursued in order to sustain those communities.

That is what we need to do as a parliament to deal with those special circumstances that are faced by rural Canadians. That is a large part of what this debate is. It is about taking a particular industry that is predominant in rural Canada, understanding that it faces challenges that are specific to rural Canada and to that industry, and responding in a way that makes sense of those challenges.



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In terms of dealing with rural Canada we have to make sure of two things. First, we have to make sure that we provide rural Canada and rural Canadians with the tools they need to deal with those challenges. Second, we have empower those communities with the ability to use those tools in a way that makes sense for them.

The government has provided a large number of tools to rural Canada and rural Canadians over the years. Take a look at the infrastructure program, the \$2.65 billion. The fact is, when those agreements were signed with the provinces there was a specific amount that was set aside for the rural communities in those various provinces.

Look at the community futures program, which is a program that operates strictly in rural Canada. It is there to provide assistance for community development. It also provides assistance to ensure a strong and vibrant small business sector in those communities. There was a \$90 million commitment in the last budget of the federal government to ensure that those community futures programs that operate in rural Canada are sustained and are able to do the work they need to do in order to help those communities.

• (1940)

There are several other tools that I could describe, but those are two very important ones. There are several others that are provided: the community access program, the CARTT program under agriculture and, as I mentioned earlier, the support that is being provided for farm incomes.

It is also important, as we deal with rural Canada and rural Canadians, that we empower communities to use those tools. That is why it is important in the approach that we take as the federal government to ensure something that we call the bottom up approach, one that ensures that communities themselves are empowered to undertake the decisions they need to take to sustain themselves.

It is an understanding that not every rural community is the same and that the challenges that are faced by a rural community in Saskatchewan are different from the ones that you and I face, Mr. Speaker, in northern Ontario and different again from what some of my colleagues face in Yukon, in central Ontario and in other parts of Canada.

That is why it is important to use a bottom up process, one that allows communities to set their priorities, one that allows communities to establish exactly the strategies they want to follow. The role of the federal government and, for that matter, of the provincial governments is to provide those communities with the tools they need to pursue their particular objectives and ensure that they are sustainable into the future.

We are here tonight to talk about agriculture. In a larger sense, we are here to talk about rural Canada, and in a larger sense than

that, we are here to talk about Canada. We are here to talk about some very special values.

I have been very fortunate to have the opportunity to raise my family in a rural part of Canada, in my hometown of Gravenhurst in the riding of Parry Sound—Muskoka. It is a very special place and the people who inhabit it are very special people. In my community, we believe in the values of community and in the values of family. I believe it is absolutely essential as we have this debate in the House that we come together to find the ways to sustain rural Canada, to find the ways to ensure that this special way of life we all cherish is able to continue, not just for ourselves but for our children as well.

**Mr. Gurmant Grewal:** Mr. Speaker, I rise on a point of order. Since the minister is still in the House, before he leaves the Chamber could I have unanimous consent of the House for 10 minutes of questions and comments with the minister?

**The Acting Speaker (Mr. Bélair):** Is there unanimous consent?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, I advise you that I will be splitting my time with fellow opposition members.

I would like to take at face value the high sounding noises that we heard from across the way from the Secretary of State for Rural Development, but it is of grave concern to me that when we have a member asking the minister if he can ask some questions related to the dissertation which the minister just gave on agriculture, the minister says no. We cannot even ask some basic questions related to the crisis our farmers are facing.

I would have been more assured about the sincerity of the government if at some time between now and going back to last November or October we had heard some kind of assurance from the Prime Minister, from the secretary of state or from the minister of agriculture that their Liberal candidate in Regina was misspeaking when that candidate informed farmers who were waiting in Regina for the Prime Minister—and who would not meet with them—that because they would not vote properly they might not get the help they needed. We have never heard a denunciation of that particular comment.

I am trying to accept at face value the sincerity, but I have nothing to back it up. Questions will not be answered today and horrendous statements are not refuted or not reprimanded.

The Secretary of State for Rural Development has also said that the government is looking for strategies. I do appreciate his honesty from that point of view. The suggestion is that the

government does not have the strategies but is looking for them. I appreciate that openness.

It is important to note, as we look at the immediate crisis upon us, that funding is needed. It is important to note that farmers in Canada from coast to coast, our producers, are able to do incredible things. They are able to feed the world. They are not simply asking for subsidization. They are not simply asking for more money.

• (1945)

The strategies that have been formulated by the Canadian Alliance have been based upon numerous meetings with producers from coast to coast. There were some 76 meetings with thousands of farmers, as compared to the government committee that trotted around some time ago. I think it had nine meetings. We are talking about 76 meetings with thousands of producers.

Those producers said some things in terms of direct strategies. They asked that their input costs be lowered. We have offered a number of ways to do that. There was a proposal in the House to lower costs of fuel, including diesel fuel. Liberal federal MPs voted against that. There was a strategy. We were offering some hope.

We have talked about the ability to lower user fees. Our estimations through Agriculture Canada are that user fees related to fertilizer purchases alone hit the farm community at something to the tune of \$300 million. We have asked for a reduction of that to help with their input costs. The answer is no.

We have talked about value added. If we increase the value added areas of this part of our economy there will be more demand for the product, whether we are talking about the ethanol capabilities and possibilities that are there in Ontario or the pasta producing plants throughout the west. We have suggested that the government lower business taxes, lower costs of those businesses and increase the incentive to invest. We have offered that as very specific strategies. What do we get? No action.

I am having trouble with the sincerity in terms of wanting to help our agricultural sector. We have said that we should look aggressively at negotiating downward the horrendous subsidies faced by our farmers. Members know quite well that European grain farmers are subsidized to the tune of something like 56% of their income; U.S. farmers, something like 36% to 38%; and Canadian farmers, something like 8% to 9%. This is not a case of our producers saying that they simply need huge amounts of increased subsidies, but they do need some help now. We have offered some very specific strategies and we do not seem to be getting any.

We have offered the very clear strategy of giving producers, especially our grain producers, marketing choice related to the wheat board. These are specific strategies. We are not saying that we should crater the wheat board. There may be a place for it for

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those who choose it. Again we get no response. We have been asked for the strategies and we do not get them.

Our members have done significant detailed work in terms of improvements to the grain handling and transportation system. We have offered those as specific strategies. We are even willing to say that if members opposite in the Liberal government pick up those strategies we will applaud them. We will even give them credit. This has now gone beyond partisan concern. We have producers right now who are saying that they do not think they can get into the ground this spring. Something needs to happen now.

The AIDA program has been identified for two years. There is something like \$1.7 billion sitting there on the cabinet table when it should be on the kitchen tables of our farmers. Almost half of that has been refused for those who are applying. In many cases it is on technicalities.

What is the problem with the federal Liberal government? We have farmers and producers who are saying they need those dollars now. They are sitting on the table. We approved those dollars to move ahead, and still we see no action. There are farmers who do not know if they can make it through this spring.

In terms of reducing downward these subsidies, there is great capability on behalf of our government to do that if it had a will to do it. It could marshal the power of other trading nations and use that collective buying power in terms of being significant on these reductions.

This is not simply a western problem or an Ontario problem. Let us look at the situation with P.E.I. with the potato shipments shut out at the border. We know through the people who had done the research related to the potato wart that this was not a problem. We understand the minister was globetrotting somewhere when these issues should have been dealt with. We had P.E.I. farmers either putting their product into the bins or ploughing them into the ground.

We need to do something and we need to do something now. They have asked for strategies and we have given those strategies. My colleagues will go into these in even more detail.

• (1950)

This is not a time for partisan positioning. It was only a few weeks ago that I met a group of farmers. One farmer held his hand out and as I shook his hand he held on to mine. He said that he was holding on but that he did not know if he could hold on through the spring. He said that they needed those dollars to be released to them now, the dollars that were on the table.

Politics aside, we are talking about enabling and empowering our agriculture community to do what it does best, which is to be the most innovative in the world. Canadian producers and farmers

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have proven that they can be the hardest working and most constructive in the world. Our agriculture community has proven that it can be number one in the world when it comes to conservation policies. It is time they had the support of a government that would clear the obstacles and allow them to be that.

It is time we had a federal government that set and maintained a vision for agriculture, a vision for our agriculture community to literally be able to feed the world and, at the same time, feed their own families while they are doing it. That is the position of the Canadian Alliance, the official opposition. The government has asked for strategies and we have given them strategies.

We are asking the government to act on those strategies because time is running out for too many farmers. It is time to move for the family farm.

**Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance):** Mr. Speaker, tonight we are here, as was stated earlier, to talk about an agricultural policy. Actually what we are here talking about is the lack of any sensible agricultural policy on the part of the Liberal government.

Is there a crisis in agriculture in Canada? When we talk about the grains, oilseeds and corn producers and the Prince Edward Island potato producers, there is a darned serious crisis, a crisis that involves the very livelihood and social fabric of many communities in western Canada, Ontario, Prince Edward Island and in fact farmers in every province. Yes, this debate is necessary but it is not about agricultural policy, it is about a real crisis that is happening right now.

I would like to touch for a moment on the history of this crisis because this did not come up just tonight or last week. This came up five to ten years ago. The lack of policy from governments over the past 30 years, no long term strategy for agriculture and no willingness to change and evolve as agriculture needed to evolve and change over time, is what is missing and the reason we are in a crisis today.

In 1997 we had a bill called Bill C-4, the famous Canadian Wheat Board amendments bill. The Canadian Wheat Board was never changed to a voluntary wheat board the way it should have been so that farmers could go ahead and market their own grain and increase their incomes. Those who needed the services of the wheat board could still have availed themselves of it via a voluntary process. We would have had value added as the pasta producers were trying to do. It would not be obstructing the durum producers of southern Saskatchewan and Manitoba who want to form a durum cartel with their North Dakota neighbours.

The failure of this government is very evident in the bills that it has tried to put forward, which have continued the excessive regulation of the agriculture industry and have not freed it up. I

will give a couple of examples in a few moments that will show that.

The other bill that really hurt farmers was Bill C-34. What did we get from that debacle and the two years of wasted time we spent on the Estey-Kroeger report bringing up all the good solutions on the rail transportation system and on how the transportation of our grain to the ports had to be a commercial contract based system? We got a whole bunch of regulations with no solution, big debates and disputes between the various entities on moving our grain to port.

We have tried over the course of the last two years to deal with agricultural issues. We have had emergency debates on agriculture income. We can look in *Hansard*. We have had supply days on agriculture income. We have had an emergency debate on the grain strike in Vancouver. A grain strike could happen again. It happened in Montreal. It hurts producers like the pulse producers who shift containers over.

• (1955)

The pulse industry is one of the bright spots on the prairies in that they are actually making money growing pulse crops. It is another example of what the government is not doing and certainly could be doing. Western farmers and Ontario farmers are producing pulse crops. The government is always talking about research, but it does very little in the way of pulse crop research. There is one researcher in Saskatoon who does a bit in this regard, but there are three full time researchers working on wheat.

The government is working with Monsanto to develop a GMO wheat and will still have wheat at the same value it is today. Wheat is sold right now for below the cost of production. Pulse producers could make a profit on what they produce, but they could use some federal government dollars to match up with their producer dollars to do research. Where is the government on that? It is not providing that matching dollar. It still wants to do research on canola and wheat. Its priorities are all wrong in that area.

I have just talked about the transportation issue briefly. They cannot guarantee their customers overseas in India and other places that they will have product delivered to them on time. That is another suggestion the government could work on. Final offer arbitration is good example that could be used to ensure that the containers are loaded on to the ships and shipped to the customers. The Estey-Kroeger report should have been implemented and it was not. That also hampers our reliability in delivering our products.

The government has let the crisis build and build. We have talked about solutions, but the only solution is to go with what farm groups are saying, that they need \$1 billion over and above existing safety net programs. There has to be an immediate cash injection before spring seeding. That means right away. The government has

agreed to the emergency debate and it has no choice but to implement an immediate cash injection.

The problem with the AIDA program and the new CFIP is that it leaves out the farmers in crisis: the grains, oilseed, corn and, as of late, soybean producers.

I know my colleagues in the farming business will certainly have heard, but did anyone else hear what happened to commodity prices yesterday? Did they go up or did they go down? We are talking of grain, wheat, canola and the other crops in crisis. The futures market is down on every blasted one of them. Very clearly that is the problem today.

Farmers need to get their crops in the ground. They need to be able to adjust to other crops. However, the problem is that when the government cut out all the subsidies, including the Crow rate, it never replaced them with a decent, predictable long term program that helped all farmers as opposed to just a few. AIDA seemed to help hog farmers, but it did not help farmers who were suffering from the longer term problem of low income over many years.

Let us talk about trade issues for a moment. The government seems intent on irritating the Americans at every turn. Lately North Dakota has seen fit to pass some legislation, or at least present it in the house, partly because of the agreement our government made with the United States two years ago when we were having problems with R-Calf, the cattle business issue that went back and forth in the west in particular. They had a 40 point agreement where they would sit down before trade disputes arose. Before a trade dispute arose, such as the Prince Edward Island potato issue, the government would get together with United States farmers and politicians and prevent trade action.

• (2000)

Now we see trade action happening with Brazil. Is that not an interesting little case? We have political debts being paid to Bombardier and the province of Quebec. In order to get back at Brazil in any sniping little way the government could, the agriculture minister had to be involved because it involved an importation of beef from Brazil. That importation of beef was stopped because of political interference. It was not stopped because of any other issue. In the next couple of days we will see that ban lifted.

When our NAFTA neighbours, the United States and Mexico, see political interference on trade issues they will not be very happy with the government. I do not have the inside track on what they are telling the government, but I can say that the United States secretary of agriculture is no doubt phoning Ottawa to tell the Prime Minister to lift the ban on beef because it is hurting trade between the Americas.

If the intent of the government is to irritate our trade partners, there is no hope for our farmers. It is too bad that the government

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was not thrown out in the election of November 27 because it has ruined agriculture and I see no solutions coming from over there.

[*Translation*]

**Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la-Mitis, BQ):** Mr. Speaker, I will be sharing my time with the member for Champlain.

This evening in the House we have an opportunity to discuss an extremely urgent problem, basically the state of emergency in the area of agriculture. This debate was requested by the member for Brandon—Souris under Standing Order 52.

What is interesting about the Standing Order is that it provides that, in determining whether a matter should have urgent consideration, the Speaker shall have regard to the extent to which the debate or study requested concerns the administrative responsibilities of the government or could come within the scope of ministerial action. The Speaker also shall have regard to the probability of the matter being brought before the House within reasonable time by other means.

I would like to begin by thanking the Speaker for having recognized the urgent nature of the matter we are to debate this evening and for having authorized us to proceed.

Turning now to the criteria he must consider, he clearly identified this as an area concerning the administrative responsibilities of the government, as we all know it does. His other consideration was the probability of the matter being brought before the House within reasonable time by other means.

When the Minister of Finance, for instance, tells us that he was not thinking of bringing down a budget at this time of year but was going to wait until the fall, we wonder how the government is going to assume its responsibilities and find ways of dealing with this emergency.

The crisis in agriculture has not sprung up overnight. Already in December 1998, the Standing Committee on Agriculture and Agri-Food set aside all its other concerns and turned its attention to this issue.

• (2005)

It sounded the alarm with its report titled “The Farm Income Crisis in Canada”. Although the title might suggest that the committee had grasped how urgent it was to act, the committee’s recommendations were described in the Bloc Québécois dissenting report as paying no attention to the urgency of the situation.

I must acknowledge, three years down the line, just how accurate the Bloc Québécois comments on the committee’s recommendations were. The Canadian agricultural sector is in a state of ongoing major crisis.



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In his letter to the Speaker of the House requesting the emergency debate, our colleague from Brandon—Souris described the crisis very well. He pointed out that agricultural communities across Canada had attempted to remedy the deplorable conditions that afflict them today.

Referring to a labour survey carried out by Statistics Canada, he said that, in 1999 alone, the prairies had lost 22,100 farmers as a result of the heavy psychological and financial pressures on the agricultural industry, not to mention the natural disasters and the unjustified subsidies in other countries which aggravate the situation.

Everyone who has spoken, the leader of the Progressive Conservative Party, the leader of the Canadian Alliance, all of the members, have drawn attention to the same thing. Unfortunately, we could expect nothing better from the government than the reactions we have just heard from the minister and the secretary of state. No doubt some money is invested in agriculture, but not enough, given the scope of the problems.

This government lacks vision, as our colleague from Brandon—Souris pointed out. It is probably not the only one to lack vision either, since agriculture is in fairly poor shape. The people in the west have long, and perhaps too long, not been allowed to diversify their crops enough.

Prince Edward Island produces potatoes. Naturally, when there is a problem with potatoes, when the U.S. threatens to no longer allow Prince Edward Island potatoes into the states and Mexico wants to follow suit, clearly, if your province produces only one crop, you have big problems and your problems will grow.

One of the things that helps Quebec farming in a way—I see great financiers in this House and so I may use a financial expression—is that Quebec has a diversified farming portfolio, so that when glitches occur in one area, it is possible to fall back on another crop and try to cut losses.

When our colleague from Brandon—Souris wrote the Speaker to submit his request, he raised a very important point. He noted that the subsidies the U.S. and the E.U. give their farm producers cause ours, who have had a lot of their subsidies cut enormously by the Canadian government, to have a hard time competing in this area.

Let us make no mistake. The debate our colleague put on the table this evening is really of national concern, and the questions he raised directly affect all farming communities right across Canada, as he himself mentioned in his February 12 letter.

We must discuss the problems facing the agricultural industry in depth and we must try to find specific solutions to resolve these problems in the short, medium and long terms.

• (2010)

We have some catching up to do. I have been an MP since 1993 and I must unfortunately note that the Liberal government led by the member for Saint-Maurice has really neglected the agricultural sector.

We have become—to use an expression often used in my culture—more Catholic than the Pope. Because the WTO said that the agricultural industry should not be subsidized, the government seized the opportunity to quickly cut as many subsidies as possible, while the Americans hung on to theirs, completely destabilizing agricultural production in Canada.

When we talk about the problems affecting western Canada, Ontario and Prince Edward Island in particular, we must not kid ourselves. While the situation may not be catastrophic for all farmers in Canada, it is at least difficult. We will have a better idea of the extent of the problems facing our producers when we can examine the action plan soon to be submitted by provincial ministers to the office of the federal Minister of Agriculture and Agri-Food, as part of the consensus reached at their meeting in Regina.

Then we will have an opportunity to gauge just how open-minded the Liberal government is, depending on whether it takes this consensus into account and looks for ways it can help farmers. In the context of market globalization, it is up to us to take the initiative to go global so that we not lose out because others made the decision for us.

I think that it is also important that we find a way of being as self-sufficient as possible in our agricultural production. There are ways of comparing the extent to which each of the provinces helps farmers. Quebec has, I think, been successful at pooling its resources so that money is distributed to producers within programs providing real assistance that reflects the needs and difficulties of our farmers.

I hope with all my heart that the government is open to the idea of negotiating assistance to farmers.

**Mr. Marcel Gagnon (Champlain, BQ):** Mr. Speaker, I may be a total newcomer to this House but I have a feeling of déjà vu about tonight's debate. I must explain that I have that feeling because I am a farmer's son and very much involved in the agricultural field at home in Quebec.

My hon. colleague said that perhaps Quebecers were lucky enough to have a kind of safety net for agricultural producers. I know what she was referring to, for I was in the grassroots of the UPA during the 70s when we were working to get that safety net.

I have sympathy for the farmers expressing their concerns for a crumbling industry, for I too have known the farmer's life. I find it

a pity that the government has not been able, as my colleague has said, to foresee such situations.

Agriculture is the basis of our economy. Agriculture does not exist just for the farmer.

• (2015)

I listened to what the Secretary of State for Rural Development has had to say. I found it rather depressing and it took me back some 25 years to hear him talk about protecting the rural lifestyle, the necessity of getting down to basics, that rural Canada counts on its agriculture.

I must state that agriculture does not exist for the farmer, it exists because of the consumer. Its purpose is not preservation of a lifestyle. We are not talking folklore here. There is an element of that, of course. I think most people like to go out into the country to visit farmers. Their lifestyle appeals to us. However, agriculture exists first and foremost because consumers need food safety, they need healthy food produced close to where they live.

My colleague explained how agriculture was the cornerstone of the economy. This is what we must understand. When a farmer is forced to come to protest with a combine in front of parliament, it means that he is in debt up to his eyeballs. It means that he sees a new season ahead but he does not know if he will be able to start it.

It means there was a lack of vision, not on his part, but on the part of the government. When people come here en masse to protest to get help, to ask all political parties to come to their help, to ask the government to take action, there is a problem. They are there. They are there and they need help. They need support and we must be sensitive to their plight, before the problems start to surface. They want some sympathy for the vulnerability of their profession.

When a farmer gets up in the morning, he often wonders what will happen next. A farmer is vulnerable to anything, including the weather and the environment. He is vulnerable to market prices because his government did not protect him adequately. He is vulnerable because production was not properly planned. A farmer is always the first one and the last one to pay.

I thank those who proposed this debate in the House. It reminds me of a debate which, as I said earlier, took place in Quebec in the seventies and eighties, and during which I personally worked very hard to get the safety nets that we needed. I imagine that a responsible government, which boasts that it has the best and one of the richest countries in the world, will not stand by while agriculture, a pillar of its economy, collapses.

Farmers need support and agricultural programs on a daily basis. They need us to view their work as something other than a quaint

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way of life that must be preserved. They need to feel that consumers need their services. In order for them to be able to deliver those services, they have to be able to make a living at what they do. This means we must be able to anticipate the tough times so that they are not left to face their problems alone the way they are now.

Clearly I am calling on the government to come to the assistance of farmers, particularly those in the west, who are now in a difficult situation. We are not perhaps experiencing the same problems in Quebec right now.

• (2020)

However, agriculture in Quebec still requires assistance from the federal government. In this area, as in others, the money in the federal government's coffers represents our tax dollars. The government has to stop thinking that when it helps us, it is doing us a big favour. That is not the case. This money comes from the taxes paid by Quebecers and Canadians. We will always be here to ensure that Quebec gets its share of what it has to spend on agriculture.

That is only fair: when one pays taxes, one should be able to expect, particularly when things are not going well, that the government will be forthcoming with our, not its, money. It should direct taxpayers' money where it is needed so that consumers and producers feel more secure and producers are less vulnerable when times are tough and a source of constant worry.

[English]

**Mr. Dick Proctor (Palliser, NDP):** Mr. Speaker, it is an honour for me to rise in the House on this particular emergency topic of agriculture.

For a number of the participants who have spoken in this debate, there is a degree of frustration being felt in the Chamber. Mine is a frustration of a member who was here in the last parliament. We thought we discharged our responsibilities, as members of parliament from all parties, to raise the subject of this crisis and to point out some solutions for the government. In short, we discharged our responsibilities to the best of our abilities.

Our frustration probably pales in comparison to the frustration that was felt by the farmers who came to Ottawa, who lobbied, who buttonholed members of parliament, who called meetings in their communities and who staged tractor demonstrations to draw attention to the farm crisis.

It does not matter whether it is Saskatchewan or Manitoba, or the corn and soybean producers in Ontario, or the problem that has come to light recently in Prince Edward Island with potatoes. I am sure my colleague from Nova Scotia will be addressing that particular issue later in the debate.

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The frustration is aggravated when we hear the Minister of Agriculture and Agri-Food, whose remarks I listened to carefully earlier this evening, acknowledging that there are particular financial hurts out there. He specifically indicated the grain and oilseed producers.

That in itself is not new either. Going back to 1997 and 1998 it was acknowledged even by the agriculture minister that the major hurt was with the grain and oilseed producers. What came out of that, with our lobbying and the lobbying of others, was the agricultural income disaster assistance program, AIDA. Who did it help the least? The grain and oilseed producers.

However, it helped other people. It was based on an Alberta program that was really designed for the red meat sector. It was not designed to help grain and oilseed producers. Why? Essentially, if we plotted it on a graph, the changes are very slight. They have been slight downward changes in grains and oilseeds over the past number of years. If we are dealing with livestock, we see sharp spikes. The up tilt is large for three or four years then all of sudden there is an abrupt drop. That triggers some assistance for those farmers.

It is frustration about that. It is frustration when we hear the Minister of Agriculture and Agri-Food say he will do more. The question that comes to mind is, when will he and the government do more?

The minister responsible for rural development, or the provincial secretary, says that agriculture is extremely important to everybody here. Please tell that to the Minister of Finance and the Prime Minister. With due respect to the agriculture minister and the secretary for rural development, they cannot do that on their own. It has to be a collective effort. It has to be a team effort that involves all of the cabinet, especially the leadership of the cabinet.

• (2025)

On that point, may I quote from an e-mail that most of us who are participating in this debate probably received. It states:

Had the government implemented strategies three years ago to reduce government imposed costs; to deal with growing farm debt; to develop and implement safety net programs which are effective for grains and oilseeds; and to provide targeted assistance where it was needed; you would not likely have been called to participate in an emergency debate tonight on agriculture.

I believe that to be absolutely correct.

I want to take a few minutes to outline where this crisis originated. I believe that if we do not know where we came from it will be much harder to plot any solutions. Essentially, I believe what happened was that 1993 was a very significant year in this entire debate. It was not only the election of the first term of the government, but it was also the coming into effect of the GATT

Uruguay round, and it was the first time agriculture was addressed at the GATT. There was an agreement of good faith. All the signatories agreed to reduce their subsidies and domestic supports by 20% over five years.

I believe the government, which had a mantra of eliminating the deficit as quickly as possible, chose to hide behind the GATT Uruguay round agreement and to slash, cut and hack subsidies. They cut supports not by 20% or 30% or 40%, but by 60% over the five year period to the point where our farmers were unable to compete with their counterparts in Europe and the United States.

The classic example from western Canada is the elimination of the Crow benefit in 1995 which costs Canadian farmers in western Canada more than \$600 million each and every year. In the province of Saskatchewan alone it costs about \$320 million.

Other speakers earlier in this debate have reported on the disparity between supports. I need not do that. It is on the record. I would just point out that it is because of those supports that food freedom day is coming earlier and earlier in the country. We are paying so little for food that is being produced by our farm families.

In the last year, and people may dispute the numbers, the number of farms reported by Statistics Canada that were no longer operating was approximately 6,400 in the province of Saskatchewan. People who know this far better than I will tell us that in good years and bad years, since the 1930s in Saskatchewan, there have always been 1,500 farms that go out of business. There are fewer farms but the ones that remain are getting larger. However, 6,400 is a sharp increase in the number of farms that have gone out of business.

It was acknowledged as well that it was because of the devastating cuts, government officials conceded. Mike Gifford, who used to be the trade commissioner for Canada and reported to the Standing Committee on Agriculture and Agri-Food, reported that we could have \$2 billion worth of inputs or support payments to Canadian farmers immediately without risking any degree of retaliation.

We had AIDA which did not really work for the group that it was intended to work for in Manitoba and Saskatchewan. They are primarily corn and oilseed producers, but the program was based on the Alberta livestock program. We follow that now with a Canadian farm income program which we believe has less money in it than the AIDA program. As well, we have all of the problems around that with getting payments for farmers to assist with that program.

• (2030)

The Secretary of State for Rural Development said it was important that this debate not be just a litany of the problems, that

there should be some solutions. He was encouraging members to come forward with solutions. I submit to the hon. member that there is no shortage of solutions, which have been proposed by any number of farm organizations and political parties.

Agricore, for example, has a number of what I think are workable short term solutions. Agricore is suggesting that AIDA and CFIP will not address the long term price depressions which are now hurting producers. It suggests that the government needs to work with safety net committees to design and implement new ways to support the farm economy, such as a payment through the net income stabilization account directly to the producer, as well as an increased contribution to the provinces for funding of companion programs.

The provinces, under this proposal, would decide how the programs would operate in their respective provinces. Companion programs would work better than national programs because they would recognize the differences that exist in each province and accordingly would have different solutions. The requirement for a provincial contribution would be waived. The Canadian Federation of Agriculture is also proposing companion programs.

In the last election campaign, the New Democratic Party had a whole farm safety net program which we thought required putting in \$1.4 billion per year for each of the next four years. That would basically double the amount of money available under our safety net programs and would at the same time provide \$100 million for a program to help young farmers get established on the land and a program for older farmers averaging 58 and 60 years of age which would ease them off the farm.

I referred to the Canadian Federation of Agriculture. The federation suggests: adequately funded farm income programs; companion programs that meet farmers' needs on a provincial basis; and NISA rules that allow farmers to withdraw funds when they need them.

If I may just pause there for a minute, Mr. Speaker, that last point is extremely important. It seems to me that NISA is an extremely paternalistic program. I have had farmers tell me that they have taken money out of their NISA account and then decided later on in that year that they would like to take out more money. They had not taken out enough because their crop did not come through to the extent that they thought it would. They were rejected because they could only make one withdrawal in any 12 month period. That is not an adequate solution. These people have to be given responsibility. They know far better than any of us here what their specific problems are. If there is money there and they cannot access it and withdraw it, that surely is another great frustration and one that ought to be very simply dealt with.

The CFA also suggests that we need a disaster program that is structured to deliver funds quickly rather than delay relief for

farmers. That is a reference to the fact that only 51% of the 1999 AIDA claims have been paid out thus far.

The CFA goes on to suggest that we need \$900 million per year for the next three years to restore safety net programs.

We have numbers ranging from \$900 million a year to \$1.4 billion to more than that. There are farmers who phone to talk to me. I am thinking of Lloyd Pletz in Balcarres, Saskatchewan, or Murray Downing in Manitoba. I am sure they phone other members of parliament as well to talk about programs and the specific ideas they have for costs of production. They feel that our farmers are simply unable to compete against the high subsidies coming from the United States and Europe.

There are long term solutions as well, not just solutions for the short term. I agree with previous speakers who have acknowledged that we do need a short term program to get farmers out on the land in a month, six weeks or two months' time, but we certainly do need a long term safety net program that is going to work for all of our farms and all of our farm families.

• (2035 )

Some of those suggestions include: tax rebates on fuel; cost recovery; and reconsideration of user fees, which shot up dramatically as the government was consumed with eliminating the deficit back in the mid-nineties. I know they have been capped at this point, but I think the government needs to reduce and in some cases eliminate them. In these times of crisis, total farm debt in the last few years has increased by more than 44%, which needs to be addressed as well.

The Ontario Federation of Agriculture was front and centre in the demonstration yesterday in Cornwall, if I read the papers correctly, Mr. Speaker, a demonstration you are acquainted with. The OFA talks about the need for safety nets, freight subsidies and other support programs and about restoring that support to the 1993 levels that I talked about earlier in regard to the costs of production, in order to subsidize the gap between farmers' financial capabilities and the average crop production.

We know that the Minister of Agriculture and Agri-Food will be meeting with his provincial counterparts in Quebec City early next month. We would really like to see some announcements prior to that so that farmers can prepare for their spring planting.

Let me refer to the agreement that was signed by provincial ministers in Regina last week. This was a meeting they requested, without the federal minister and officials being present. In their communiqué at the end of that meeting they said, and I quote:



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It is now up to the federal government to fulfill its responsibilities and immediately invest accordingly to address this urgent situation. Provinces agreed to work with the federal government to prepare a framework that is predictable in the long term, effective and fair to all provinces. This framework will take into account a number of factors including the specific features and needs of each of the provinces and the relative economic importance of their agricultural sector in Canada. The ministers hold that integrated risk management in agriculture will require a joint response. This means a substantial contribution from Ottawa. While this urgent situation is occurring in the provinces, the additional funds required are in Ottawa.

Let me close by trying to encapsulate some of the messages that the government needs to heed very quickly. We have heard them from different parts of the House during the debate this evening.

The first message is that over time the federal government has gone from taking the major responsibility for safety nets and disaster funding to a position of requiring provinces to pay 40% of the cost. Even though agriculture has always been jointly administered, it is only in the last number of years that the provinces have been specifically instructed that if they are going to have a safety net program they have to pony up 40% of the money. We are in a situation in Manitoba and Saskatchewan where we have a relatively small tax base and a lot of farmland, which is making it extremely difficult for provincial governments to come up with the 40% that is required to have an effective safety net program and effective protection for farm families. That is one thing that needs to be taken into account.

Second, over time, the federal government, going back 5 years and probably 13 or 14 years prior to the arrival of this government, took away major programs that helped farmers, including the two price wheat system, which my colleague from Regina—Qu'Appelle will tell you came off in 1988, and the Crow rate in 1995.

Third, farmers have faced and continue to face a number of challenges, such as international subsidies funded by the national treasuries of the European Union and the United States. The numbers have been talked about earlier in the debate in regard to how low our subsidies are in comparison to those trading partners.

Fourth, there are declining margins as input costs eat up more of the revenue, and there are the continued production and price risks associated with farming.

• (2040 )

In conclusion, what I am trying to say is that farmers in this country simply need to know whether the federal government is going to stand behind them or if they are going to have to address all of the farm issues by themselves as they have essentially had to do over the last number of years. That is the important question that needs to be addressed tonight.

**Mr. Bob Speller (Haldimand—Norfolk—Brant, Lib.):** Mr. Speaker, I will be splitting my time with the member for Malpeque.

I will take a few minutes to talk about an issue that I consider to be one of critical importance to the food security of our country. I believe that the future of our food industries and Canada's ability to produce safe and cheap food is at risk in this debate tonight.

I am not sure that Canadians are aware of this, but if we compare a normal food basket one might buy in any Canadian city to one in any other city or country around the world, we find that Canadians are paying the cheapest prices for the food that they buy. Unfortunately these prices are not getting down to the producers who produce the food. That is the problem we are faced with this evening. In fact, the amount going to the farmer, the producer of that food, has declined dramatically over the last 20 or 30 years.

The problem is that farmers today, in many commodities, cannot even get back the price of production. This means that in regard to the price of their labour, their fuel costs and their production costs, they cannot even get those costs back when they sell their food.

There are a number of reasons for this. Input costs are up. Input costs are the expenses incurred to operate a farm, such as costs for fertilizer, seed, labour and fuel. In fact, the cost of ammonia, which is used in making fertilizer, is up by 56%. That raises the cost of fertilizer. We have seen the price situation with fuel, not only across Canada but around the world. Those fuel prices dramatically increase the costs of production for a farmer because a farmer uses a lot of fuel when he produces a product.

Commodity prices in certain agricultural products are extremely low. For example, the grains and oilseeds prices have dropped dramatically since 1995. The price of corn has dropped by some 46%, wheat by 34% and canola by the same amount. These are figures put out by the Canadian Federation of Agriculture. I believe that these prices are directly impacted by export subsidies and by trade distorting domestic subsidies from a number of countries around the world, particularly in this situation with the United States and the European Union.

What are the solutions? I think a two-pronged solution is needed here. We need to first deal with the short term problem, which is the problem being faced by farmers today in that they cannot get back their costs of production. We also need to deal with some of the underlying problems of income. This should involve a short term injection of cash, not only from the federal government but also from the provincial governments. At the same time, for the long term problem we need to continue to take an aggressive role at the international negotiating table.

I was glad to see the Prime Minister stand in the House and then take this issue to his meeting with George Bush last week. The Prime Minister went there and said it was a key priority on his part to talk to President Bush about the export subsidies and the ways in which we can coalesce with other countries around the world to bring these down.

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● (2045)

I was glad to hear from the Prime Minister that President Bush was of the same opinion. The Minister for International Trade and the Minister of Agriculture and Agri-Food have also taken the word of Canadian farmers to the international table. They did that by working with farm groups, farm organizations and provinces to come up with an international agreement they could take to the negotiating table, an agreement that first and foremost was credible.

It will take time. If we look at how these negotiations have gone in the past, we realize that we are talking about a number of years to get to a point where there may be agreement. What do we do in the meantime? We need an short injection of cash. I was glad to hear the minister of agriculture tonight make the point that more needs to be done and indeed will be done.

The provinces also need to get involved. Let us look at the expenditure figures from all the provinces. The federal government spends about 2% of its expenditures on agriculture; British Columbia, 0.4%; Alberta, 2.6%; Saskatchewan, 5.7%; Manitoba, 2.5%; Ontario, the richest province, my province, 0.78%; Quebec, 1.6%; New Brunswick, 0.5%; Nova Scotia, 0.9%; Prince Edward Island, 2.4%; and Newfoundland, 0.3%.

Grains and oilseeds in Saskatchewan is a particularly important area. I believe there is room at the provincial level to move forward on the issue.

The Canadian Federation of Agriculture says farmers need income programs that are adequately funded, that are able to be delivered quickly and efficiently, and that will be in place until we can get international agreements to deal with them.

As we as a country moved over the last number of years to deal with the deficit we said we needed to make certain commitments to do so. I believe we as a country need to continue to move forward in that area. This is not just a rural issue. I am not sure if Canadians or people in Toronto, for instance, know that one in six jobs in Toronto is in the food industry.

What is at risk is our national sovereignty, our food sovereignty, a cheap and safe food policy. We need the understanding of urban Canada because we are asking the government for tax dollars. We are asking Canadians at all levels for a commitment on the issue.

This is as serious an issue as Canada has faced for a number of years. We need to look at it both federally and provincially so that we as a government and as a country can move forward with solutions. We need a royal commission or something at the level where not only ministers of agriculture from across the country but representatives of all government levels and departments come together to solve the problem.

Farm families are looking to us tonight for solutions. I believe we have some. The government is seriously looking at them. I believe the Prime Minister is focused on it. I ask for their patience. I ask that they come together with their friends and neighbours in urban Canada to ask for their understanding as we in the House are asking tonight.

● (2050)

**Mr. Wayne Easter (Malpeque, Lib.):** Mr. Speaker, it is with a great deal of sadness that I enter the debate tonight, another emergency debate on the farm crisis. We have had all too many of them in the House over the last seven years.

Is there a farm crisis today? Yes, there certainly is. Before I deal more specifically with the farm crisis, I must state that not all the industry is in trouble. Supply management commodities are doing okay. In the late sixties farmers in the country came together with the support of government to develop a system in which to market their product and gain fair returns on their labour investment.

Those marketing systems are still in place today because of the hard work of government members. We were able to retain those supply management systems at the GATT negotiations and the WTO discussions. We need to continue to fight to retain them.

If it were left up to the opposition party those kinds of systems would be destroyed. Consumers are doing well by supply management systems. They have cheap, high quality food and farmers get good returns for what they produce. There is balance.

Yes, there is a farm crisis in Canada and, to a great extent, globally. As mentioned previously, the CFA, the Canadian Federation of Agriculture, on February 6 held a food freedom day on which, by February 6, the average Canadian had earned enough to buy a year's supply of groceries at the grocery store level.

What about farmers' raw material costs freedom day? That would have been on about January 9 or 10. The rest of the time is taken up with the profits of the chain stores.

The CFA also mentioned that in Canada the ratio of cost of food to personal disposable income is only 9.8%. Food is actually too cheap in this country.

I want to put the farm crisis into some perspective. I will quote a statement made by the NFU, the National Farmers Union. It states:

The market is failing farmers, it is failing all around the world, and it has been since at least the late 1970s. The market is failing to return a fair and adequate share of the consumer dollar to farmers. And it is failing to allocate to farmers a reasonable return on labour, management, and equity from our agri-food system's huge revenue stream. Moreover, this market failure is entirely predictable. It is a direct result of dramatic

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market power imbalances between agri-food industry multinational corporations and the family farms that must do business with these firms.

When we look at a graph, it is interesting what the NFU is really saying. It says that some people are doing okay at the expense of the farm community. If we look at a graph of the increasing farm sector trade, we find that exports from the farm sector are going up about 60% but the net income for the farm sector, having produced that economy for everyone else in the system, is going down to somewhere around 6%. Some people are gaining as a result of the farmers' productivity.

The second quote I want to turn to is by Elbert van Donkersgoed of the Christian Farmers Federation. He stated that "the year 2001 looks like another year of running with the bulls", comparing it to Pamplona, Spain. He went on to state:

For farmers, running with the bulls has become a necessity. Massive agribusiness conglomerates manage the food chain. There are fewer and fewer buyers for farm products. The competitive marketplace has become an endangered species. But farmers are an accommodating lot. They go along to get along. They will find the silver lining: economic doctrine says the giantification of Tyson (Foods) should deliver the much-heralded efficiencies of scale. Besides, quasi-independent farmers running as a pack in a narrow market lane is thrilling; and the bulls can get around to goring only a few.

• (2055 )

I would suggest that year after year there are less and less of those farmers left.

He goes on to say:

Truckloads of grain will leave farms across Canada for yet another year of meagre returns. Canadian governments have been counting on the bulls of international trade, the United States and the European Union, to modify their subsidizing ways.

I raise those points because many out there are suggesting the serious problems in the marketplace are functioning in the farmers' interests. However, those are just two points of view.

I listened to the opposition and to the mover of the motion. The concern I have with tonight's debate is that, as usual, rather than proposing solutions they are attacking the government. I would love to get into a debate with opposition members in terms of some of the points they raised. It is hard to resist the urge to do that.

I feel very passionately about the supply management system, which the Alliance would destroy. I feel very strongly about the Canadian Wheat Board, which the Alliance attacks. The Canadian Wheat Board in this difficult market has been able to maximize returns, such as they are, to primary producers.

**Mr. Howard Hilstrom:** What is the price of wheat?

**Mr. Wayne Easter:** That is my point. If the member had listened to what I said about the international marketplace, the prices are

down. Thank goodness we have the Canadian Wheat Board because it maximizes what little return there is back to primary producers.

My colleague, who spoke just previous to me, said that Canada must support its farm community. I agree that it must. If the Europeans and Americans continue to subsidize at the levels they do then Canada has an obligation to support its producers at similar levels.

Regardless of the different policy points of view, I believe we have a deeper problem, an underlying problem. I know I am doing the unthinkable, but I must say something about the managers of the agriculture and agrifood policies at the Sir John Carling building. I know one should not attack the bureaucracy because the opposition and some of our own members will say the minister is responsible, and that is true. However, I have spent 17 years in the farm movement and eight years in the government. I know how hard we try as backbenchers to put forward solutions, but I have never done anything so frustrating as dealing with the potato wart problem in Prince Edward Island.

Potato wart is not a problem. Finding a solution seems to be. Our trade officials are too weak-kneed to challenge the Americans on what they are doing. The department seems unable to come up with a solution in terms of an assistance package. There are always 16 reasons why the bureaucracy cannot do something and never one why it can.

I am frustrated with the department and I am laying it on the table. As members we can have our debates on politics and on policy but we need the department to put them forward in a positive way. I am laying it out here because I am frustrated about it and I think it must be said.

• (2100 )

This country has to support the farm community to nearly equivalent levels with the United States and with Europe.

**Mr. Charlie Penson:** Be a little more specific.

**Mr. Wayne Easter:** There are certainly no specifics coming from that side. All they can do over there is attack the very good policies that we have in place. They would undermine supply management. They would destroy the Canadian Wheat Board.

We have policies in place. We have put a lot of money into the farm sector. We know it is not enough and that we have to do more but at least this government is willing to work with the farm community to come forward with positive solutions.

**Mr. Kevin Sorenson:** It is just you with all the answers.

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**Mr. Wayne Easter:** I admit that I do not have all the answers. Mr. Speaker, I am being interrupted. Could you call the House to order?

**The Deputy Speaker:** No doubt I could attempt to bring more order, but short of unanimous consent the member is getting very close to his limit on time.

**Mr. Wayne Easter:** Mr. Speaker, I have laid out what I think is part of the problem, which is the upper establishment at the Sir John Carling building itself. I think that has to be said, and I hate to have to say it, but I believe it to be true.

Over the past five years the federal government has spent about \$13 million in support for the agrifood sector. We have strongly supported its supply management. There are some industries that are seeing success out there. We will see more aggressive action on the part of the government to deal with the grains and oilseeds and the potato situation in P.E.I.

**Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance):** Mr. Speaker, before I begin, I thank the Speaker for allowing us to have this emergency debate tonight. It has been a fairly rare occasion that we have been able to get these kinds of things and I commend you and the Speaker.

I also compliment the member opposite who just gave his speech. It is not too often that we compliment them, but some of the remarks he made toward the end of his speech should be heeded and listened to. He made remarks with which I agree. I think that many times those who are administering the programs may not understand the problems down on the farm. I appreciate the comments that were made.

Most of my address will be to people who are not on the farm today. Those who are listening by television in our cities may not understand this problem, so I would, in essence, like to send my address to them.

The issue is of tremendous importance to my riding. Anyone listening to this debate has to realize how important it is to them, and many Canadians do not. We had a rally last year in my riding and one of the signs that was being held up by the farmers just jumped out to me. The sign read, "If you eat food don't just thank God, thank a farmer". That sign really said a lot. We take for granted so often the quality of food that farmers put on our tables. If one eats, one should support agriculture.

Let me answer several questions in my speech tonight. First, the question I would like to ask is, is the crisis real? We have heard a lot of statistics and numbers here tonight to prove that, but the presence of farmers from my province in Ottawa tonight indicates that they are seeking assistance. They are here paying their own way. They cannot afford to hire professional lobbyists. They are

trying their best to explain to whomever will listen that they cannot survive.

I invite anyone who does not believe that there is a huge problem in my riding or in rural Saskatchewan to join me in my riding sometime. They should come and answer the phone in my riding office or even at my home. They should come with me to the store, the post office, the curling rink or the church. I cannot go anywhere without hearing a description of how this is impacting the people in my riding. It really tears my heart out to listen to those wonderful people.

I even had a funeral director tell me about two very sad funerals he had to do for farmers who saw no hope. The crisis is devastating on the farm. Ninety-seven per cent of the farmers in a survey done in my riding stated that the federal government was not doing enough to help them through the crisis.

● (2105 )

Seventy per cent of farmers in this survey said they lost money farming last year. People in the cities should realize that they did not just get a small income; they lost money. Eighty-five per cent said that their farming operation was worse off than it was last year. Seventy-five per cent were seriously considering whether or not to even continue farming.

Here are some of the comments that I got on this survey:

It is disturbing that the government boasts about the budget surplus and yet they cannot come up with \$1 billion for farmers per year.

Farmers see a lot of money flowing to Ottawa in the form of tax. Yet when they are in need it does not come back to them. They would like tax reduction or they would like some assistance. It is not coming. Here is another quotation:

My family has gone through separation. We did get back together but with immense stress, emotional and financial. I farm eight quarters (a fairly small farm), plus we have two full time jobs to pay living expenses and help pay farm bills.

In other words farmers are working off farm to put food on their own tables but yet they grow grain that feeds the world. Here is another quotation:

The financial stress of farming is causing a great deal of family problems.

This crisis is not just manifested in the economics of the situation. There is a tremendous cost to our families and to our whole rural way and quality of life.

There is another question I would like answered. Why should we be concerned about the crisis? Why should someone in Toronto, Vancouver, Winnipeg, Montreal or Halifax be concerned? So what



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if we lose our farmers? Does it matter? Let me explain why this is serious and why Canadians in our cities should be telling the government to take action and put \$1 billion more into farm assistance immediately.

Here is what happening. As our family farms disappear, corporations are buying up the land. If this trend continues they will gain control of our food supply. When that happens, they will no longer produce the quality of food that Canadians have come to take for granted but they will gain a monopoly. When that happens the people in our cities will no longer enjoy the low cost food. Quality and price will change dramatically when we lose our family farms and the large corporations take over.

Another point I would like to make is on an environmental issue. Family farmers care about the land. They will pass it on. They care about the different plants and animal species. The large corporations will not be as concerned about the soil and resources or about passing the land down to their children and grandchildren.

This is also an environmental issue which could catch the attention of our environmentalists. I wish they would pay attention to it. Squeezing our farmers means that they are desperately looking for more ways to make an extra buck. They may use more chemicals and fertilizers to keep going one more year. Family farmers are the best caretakers of the land because they want it to be there for many generations.

Another question I would like to answer is: Have we not been giving farmers lots of handouts already? It seems like they are always getting money. The government has given the impression that is the case but it is not. It announced \$1.7 billion in assistance, but it never gets into the pockets of farmers. It ends up fuelling a bureaucracy. Only half of the money it announced several years ago has been received by farmers in any way. The programs are complex and they are structured so that they do not get the money to those who need it.

The people of Canada need to know that other countries are standing behind their farmers but our federal government does not. Because the Europeans and Americans help their farmers stay on the land and see the value of plenty of farmers providing quality food, it has driven down the price of food in Canada. What has happened here? Canadians in our cities have benefited from this because they know they can take advantage of the crisis. They get food produced at below the cost of production. Our farmers deserve to get paid for the work they do.

• (2110)

In conclusion, I would like to say on a very touchy subject that this Friday in Yorkton a rally is being held to promote the idea that Saskatchewan should separate, that Saskatchewan would be better off economically. The feeling of alienation is a serious problem. I

do not think this is the way to go, but I remember a huge rally in Montreal just before the last referendum on separation in Quebec.

The theme of the rally was that we loved Quebec and wanted it to stay. Maybe it is about time we showed farmers that we care for them. They do not think the rest of the country feels their pain. Hopefully the government does not reflect the feeling of most Canadians.

A real antidote to the alienation in rural provinces is to reform our Senate and make parliament effective. The House of Commons needs to become more effective. We need to wrestle power away from the Prime Minister who does not treat all Canadians equally.

The farm crisis might not be as serious if we had democracy in Canada. My appeal this evening to all who are listening has been to those in the cities. We need their help on the farm. I ask them to put pressure on their MPs and their government to do something to help our farmers. We need that assistance right now.

**Mr. David Anderson (Cypress Hills—Grasslands, Canadian Alliance):** Mr. Speaker, debate on farm income is near and dear to my heart. I have farmed for 25 years and I have been in situations where I thought we were doing pretty well. I have also been in situations where I wondered if we would be able to make it through.

My home area of Cypress Hills—Grasslands, and particularly Frontier, was settled in the early 1900s by people who came mainly from Scandinavia looking for new opportunities. From the beginning some succeeded at farming and some did not.

Over the decades, particularly through the dirty thirties, people left our area. Depopulation took place a long time ago in south-western Saskatchewan. We have already gone through what many other areas are only beginning to go through. To farm means that farmers will face obstacles.

Farmers have always faced and are willing to fight through disasters. All of us who have farmed have fought drought, floods, insects and heat. We were willing to do that, but this problem is different. This is a problem that does not come from the weather or from farmers themselves. Income crisis is not the fault of farmers. It has come about by circumstances totally outside our control.

Trade negotiations far away and unfair foreign subsidy programs have reduced our incomes to disastrous levels. Our income once again is dictated to us by the government.

The problems of the WTO talks and foreign subsidization programs have several results. One of them is that income drops for farmers. One of the newspapers in my constituency printed a notice that kitty litter now costs seven times as much as wheat. It is wrong when cat litter is worth more than our food.

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On one side the income drops and on the other side the costs increase. If inputs skyrocket and income dives, it cannot work. A second result is that it is destroying people personally. People's willingness to continue farming is being taken away from them. Some of them are giving up. They cannot make it on their own. They do not want to be dependent on the government. They are proud people who want to be proud of what they do.

These people are self-employed. They are the ones who pay in but do not receive a lot back. They do not have fancy health plans, or in some cases even decent health care. They cannot take sick leave. They do not have big pension plans, but they are still the heart and the soul of our country.

We need a new framework. How could things be different? I would like members to come to my area of Cypress Hill—Grasslands and in particular to the Claydon, Frontier and Climax area with me. It has been home for nearly 100 years now to people who have been willing to take a chance. When people moved there it was a new opportunity for them.

People have continued to look for opportunity there and they have found it. Through the years they have established businesses. In the early seventies our community had agricultural implement manufacturers, primarily Friggstad. In the 1990s we had Honey Bee Manufacturing which makes swathing equipment and combining equipment. We have had processors move in that began to process our products and sell them themselves. We have diversified into specialty crops. People are interested in retailing in fuel, fertilizers and chemicals. Now people in our community are looking to the future. This is an area with only hundreds of people, not thousands of them. How does success happen in an area like that? There are two things that strike me about that area. First, the people desire to be free from government. They do not want to be dependent on government. They know that the government cannot sustain them long term. Second, they have an attitude that they will survive. They are going to survive and they will do what it takes to survive. We are doing that.

• (2115)

Does the government want some direction? Tonight we heard it ask for solutions and have heard some suggested by different people. I do not know if it wants specific solutions or not. It never initiated this debate and agriculture has never seemed to be a real priority for it.

I am going to make some suggestions anyway. As a producer, I would like to suggest first that the government strengthen what remains. I can think of two things, in particular the crop insurance programs that are in place and the NISA plan. Why not use NISA, tune it up, make it work and make it work better? As well, I would suggest, as we have heard tonight from my party and also from one of the parties on the opposition side, that we need stronger tax cuts and a reduction of government fees.

One program that worked last summer was the Canada-Saskatchewan adjustment program. Both Saskatchewan and Manitoba were recipients of that. It was easily administered. The money was out there very quickly. It got to where it was needed and it was used to do what had to be done.

Second, we should eliminate the failures. I can think of two of them. They are the AIDA and the CFIP. These have been poorly administered and ineffective. They are dangerous because people get their hopes built up on what they are going to get out of the programs and then it is taken away from them.

We all know examples of where people have received money and have had it clawed back from them. I have constituents who have come to me and told me that they have been asked for the money back before they had even received it.

The second thing that needs to be dealt with is our trade positions, which must be a lot more aggressively pursued. The trade positions we end up with leave agriculture in a very bad situation.

The government needs also to give hope for tomorrow. We need to get emergency aid out there right now. We have half, or \$800 million, of the AIDA money left. We are calling on the government to deliver another \$1 billion before seeding time. That has to get out if we want farming to work successfully in the grain and oilseed sector.

The government needs to look to create incentives to change. One of the problems with AIDA is that it has rewarded people for staying the same. If I have grown a product and it has gone downhill, there is no incentive for me to change it because I can continue to try to collect from that program. We must look to create incentives to change.

The pulse growers are a good example of people who have gone into specialization diversification and have done a good job without a lot of government help. We can look to them for an example of people who are making agriculture work.

I would suggest we need to open access. We need to open it to the railways so we can get access to move some of our own products on the railways. I would also suggest, as we have heard earlier tonight, that we need to open access to marketing, particularly for grain. We need to allow freedom and open it up so people have choice in what they are marketing and can deal with their own product. We can market other crops worldwide and we can certainly do it with grain.

If the government will not address these solutions, I have another suggestion. It had better come up with some quick and effective transition programs for those who cannot continue to farm. We heard earlier that 6,400 people moved off their farms last year. That is going to accelerate very rapidly. These people know how to work. They want to work on their farms. However, if we are

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not prepared to help them, we had better be prepared to help them go on to something else.

In conclusion, I want to ask the question: is agriculture a necessary industry? If not, what is? If it is, the government needs to move. For three years it has failed to effectively address the situation in grains and oilseeds. It is time that it starts to mind the company store by addressing this immediate need.

Our ancestors came here for the opportunity. Let us try to make sure that there is one for our children as well.

**Mrs. Karen Kraft Sloan (York North, Lib.):** Mr. Speaker, I will be splitting my time with another member.

One snowy day in January I found the parking lot of my constituency office dwarfed by giant combines and huge tractors. Inside my office a delegation of local farmers waited for me. We had a good discussion.

• (2120)

As each man left we shook hands. One of the last men to leave took my hand and said "Please make those people in Ottawa understand what we are going through". He had been quiet throughout the meeting, saying nothing. The few words he left with me touched me in a very profound way.

As parliamentarians, as members of the House, the primary reason we are here is to make those people in Ottawa understand what our constituents and collectively what Canadians are going through. It is our duty to bring the stories, the concerns, the challenges, the hopes and the dreams of Canadians to Ottawa. We do this to ensure that decision making reflects the reality of Canadians' lives and that as best as is possible what we do here in this Chamber serves those who look to this place for leadership, for answers and at times for help. If we neglect to do this, the laws we make, the policies and programs we develop, will never meet the needs of Canadians. We will never solve the problems that our nation faces. We will never answer the fundamental questions we are required to address as a nation.

I am honoured to represent the riding of York North, an agriculture rich part of Ontario known for its dairy farms, its grain and cattle and the wonderful vegetables grown on our marsh farms. In fact, when I was a schoolgirl in Thunder Bay we studied the famous Holland Marsh in market gardening.

Because of its proximity to Toronto, York North has the distinction of being a bit of a hybrid riding, an agriculture basin and an important industrial region as well. We are home to many people who commute to work in Toronto, to those who live in the numerous small towns and villages in the rural countryside and to a great many who have farmed in this area for generations and who continue to do so.

Over the years our proximity to Canada's largest city has meant that York North has become increasingly urbanized. This can be said for many ridings represented in the House. A good deal of our farmland has disappeared. Despite this, the myth that the greater Toronto area does not make an important contribution to our agriculture sector can be quickly dispelled. A recent study noted that there are approximately \$585 million in farm receipts in the York region alone.

Clearly, the agrifood sector remains vitally important to the economic health of the GTA and the York region. These are hardworking, resilient people who have farmed for generations. They have seen good times and tough times and now many are going through the toughest of times.

I am working closely with the agrifood producers in my riding. One of them, Mr. Don Chapman, has said to me and to the newspapers that "Farmers don't want subsidies. They don't want tax rebates. They don't want to call in crop insurance. They just want to be paid fairly for their products". The government must listen to their need for immediate assistance and long term support. We produce some of the greatest agricultural products in the world and yet our farmers are in a dire way.

The farmers in my riding tell me Ontario farmers need an increase in the Canadian farm income program of \$300 million. This program is split 60:40 with the province, which means that we need Ontario to step up to the plate to the tune of \$120 million. Our agriculture sector is a shared responsibility.

The farmers in my riding also talk about longer term solutions and actions. They talk of increased funding to agricultural research and of the development of new markets. They talk of strengthening environmental programs. More important, any income assistance program should help ensure that they receive adequate returns for their investment, their input costs and their labour.

We all know debates are easy but coming up with practical long term solutions is not. Will we settle on some concrete initiatives this evening? I think not. More time is needed in the House on this matter. More time is needed to discuss the many facets of this complicated and lingering problem.

A local vegetable growers' association wrote to me recently to outline some of these facets. In addition to the serious weather pressures faced recently, they wrote that growers must contend with eroded markets due to the consolidation, increased domestic supply, increased year round global supply and free trade agreements that force growers to compete with the treasuries of the United States and the European Union.

• (2125)

The same vegetable growers noted that a pre-harvest survey of growers conducted in July 2000 placed crop losses to the growers of Bradford, Cookstown and East Gwillimbury at approximately

3,500 acres, or an estimated 40% of the total area grown. This is alarming.

There are other aspects to the problem as well. We need to discuss these important issues such as increasing our support for local growers. As Wendell Berry, the noted farmer, essayist and poet once wrote:

The orientation of agriculture to local needs, local possibilities and local limits is indispensable to the health of both land and people, and undoubtedly to the health of democratic liberties as well.

Why do we reach for lettuce trucked here from California instead of that grown perhaps only miles away? There is something so fundamentally wrong about that. How many of us even consider what such a simple choice does to our farmers?

That is why I urge the House and the government to initiate a national debate on food. We as Canadians from urban and rural communities need to understand how the producers of our food-stuffs live. We need to understand why mean farm incomes continue to go down and why input costs continue to rise. We need to understand why the next generation of farmers is not stepping up to take over our farms. In fact, according to some, the next generation has already decided not to. It is the generation after them that we need to woo back to the land.

The hon. member for Calgary Centre referred to this debate as one about food security. I agree with him but I would go further. I believe that this is a question of food sovereignty. If we care about good quality food in the country, and if we care that we as a nation have control over this very basic need, then we must understand that, as Wendell Berry also says “Whatever determines the fortune of the land determines also the fortune of the people.”

A vibrant, sustainable, profitable agricultural sector is part of who we are. If it is suffering, then we are suffering. More important, we become vulnerable.

I call on all members of the House to support our family farms. I call upon the government to do what is right.

**Mr. Alex Shepherd (Durham, Lib.):** Mr. Speaker, thank you for giving the House the opportunity to debate this very important issue.

Some people consider Durham to be part of the GTA so that therefore we would not know about farming. In fact, my riding is proud that its second largest industry is agriculture. Our first one is General Motors. Agriculture is a big feature of the Durham riding.

Just as a personal note, I spent about eight years of my life farming on a part time basis. I can well remember the years when I could not get my farm crop in because of weather conditions and the elevators in the spring would not give me the proper pricing for that. I had to dump the crop on my farm floor and feed it to pigs. I can certainly understand the trials and tribulations that have

occurred in the agricultural industry. Some things are predicated by weather conditions, others by market forces. The decisions are made way beyond the farm gate.

Our farmers are having a crisis. Every member in the House has agreed that we have a significant one.

I was just speaking to a number of farmers in my riding last Friday. They belong to an organization called the Canadian Food-grains Bank. This is an organization that many people would not understand. The farmers get together to volunteer their time and labour to grow grain. They basically have a storage facility. CIDA actually purchases that grain and ships it overseas. The farm community, even in its time of need, has found ways to reach out to those less fortunate in other countries.

It is only appropriate that farmers are looking to us in their time of need. It is time for us to discuss their issue and to ensure that they are properly taken care of.

● (2130)

I do not have to tell hon. members that a couple of world wars have taught a lot of nations that it is very dangerous to be dependent on other countries for their food supply. Even though some people will argue, improperly I think, that other agricultural countries could possibly outproduce us, I do not believe that is true. I think it is dangerous if it is true. We must sustain our Canadian agricultural industry.

It seems to me the farm sector is broken down into a number of areas. We have a very dangerous tendency in the House to talk about agriculture as if it were some kind of holistic thing. In fact it is many industries all at once.

We have the supply management industry. Some people have suggested it is doing well. Others have suggested it is simply on a life support system. It is actually crumbling under the weight of international pricing and the move toward tariffication as opposed to a quota system for some of our supply based industries. It too is in jeopardy and needs to be protected. We as legislators need to stand up for that industry.

However it is true that the supply management industry is not under the strain of grain and oilseeds and the other sectors of the agricultural industry that do not have a supply management industry.

These industries are coming to the government and saying that it is their supply manager. As a bunch of small producers they find it very difficult to compete, not only internationally but domestically. After all, there are only two or three major buyers of livestock in Canada but there are many livestock farmers. There is a great disproportionate disparity in the marketplace. I believe another member talked about the failure of the market to deal directly with farmers.



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Many people talked about the crisis today and suggested that we need money and cash injection. I agree with that. However I would like to talk today about the whole concept of program delivery.

Before I started to study this debate I sourced some interesting statistics, Canadian revenue income statistics. These figures are for people who reported their incomes in 1998 from farming. They may be somewhat inaccurate because they come from people's tax returns. This is on a personal income tax basis, so it does not reflect people who carried on farming in a corporate entity. They would not show up in these figures. However it gives us a rough overview, a sort of barometer of what is actually going on in the agricultural industry.

A total of 439,990 tax filers who claimed that their chief source of income was from farming had a total income of about \$2 billion. That works out to a median income for farmers of \$4,552.

What is even more startling is the report of the National Council of Welfare in 1998 which talked about a low income cutoff for people determined as being on welfare. For a family of three it indicated \$20,000 as the low income cutoff level. That is lower than for people who live in the city because it is believed that their taxes and other expenses are possibly cheaper. They were taken into consideration.

It is amazing to see, as people have losses from farming, up through the income stream that we have 214,470 farmers with \$20,000 worth of income. Basically that indicates that 50% of the people who filed their tax return in 1998 and declared their chief source of income to be from farming are living in poverty. That is a very sad testament for our country. Basically the people living in urban areas are the net benefactors of that policy.

• (2135)

It is not so much government per se, but for whatever reason we have been the beneficiary of a cheap food policy. Nine per cent of our disposable income is spent on food. That is lower than the United States which has a bigger per capita income than we do. We have a cheap food policy in Canada but it has been driven on the backs of our farm community.

We have heard the concerns of people regarding various government programs. Historically what has happened is that every time we have had a problem or a crisis in the farm sector a plan has been developed to prevent it, to adjust it or deal with it. As a consequence, we have created a band-aid solution to farm income support systems.

We have talked about a safety net system. The intentions of governments, no matter what stripe, have basically been good, but they have not been able to take the time to sit down and look at the long range aspect of farm income support systems. I suggest that

we look in another direction, which is to create a negative income tax for farmers.

We have an AIDA system, a NISA system, a CPIF system, a market revenue system and a crop insurance system. We have a multiplicity of systems. We normally put \$1.6 billion toward agriculture support. We put another billion dollars per year up to \$2.5 billion. I just said that the total income of farmers reported in 1998 was \$2 billion. There is no question that we could afford a negative income tax system to support our farm community without making every farmer an accountant or a lawyer.

In my riding, half of the people who are entitled to these programs are not getting money because they cannot fill out the damn forms. The first category in this group lost \$255 million. These people cannot afford to pay \$1,000 for an accountant or a lawyer to fill out these forms, so they do not get the money. The money is not getting to the people who need it.

Yes, we do have all these programs in place but the money is not getting to the people who are entitled to it. We will have to do things in a better way.

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Speaker, this is another emergency debate that many of us have taken part in several times before. I have been in the House almost eight years and it really disturbs me that we continue to go down the same road having to deal with these situations with agriculture in a knee-jerk fashion.

I would like to try to take the politics out of this issue because it has been a problem that has plagued us for a long time.

It seems to me that Canadian people have to be asked and have to answer a very basic question: Do we want agriculture in this country or not? That is what it comes down to. When it comes down to the oilseed and grain sector, that is the very stark choice that is happening in the prairies and other parts of the country these days because it simply will not be around unless we take a different approach to how we handle agriculture.

I have seen the devastation and we have heard about it here today. We have heard a lot of good comments summarizing the seriousness of the situation. I agree 100% that we have a very vital industry that is going down the tubes. People are losing their farms. I see it every day in my riding.

I suggest that we will have to do something in the short term with emergency aid, but unless we have some kind of long term plan to deal with this and unless we have some appreciation by the Canadian people that it is in their interest that we have agriculture in Canada, we will lose this war. One of the reasons I say that is that we simply cannot compete with subsidies against massively populated countries like the United States or the European Union.

I should mention at this time that I will be splitting my time with the member for Renfrew—Nipissing—Pembroke.

We simply cannot play that game. We will lose every time. We have to do something today about the emergency crisis, but I make the case very passionately that we simply cannot win that game in the long term.

• (2140)

What could be done? First, I think Canadians have to decide whether they want this agricultural industry. We could import food more cheaply from other countries, I would think right now, with the subsidies out there. We could go that route and we would see the devastation that would happen in our rural communities. I am afraid it would not stop there.

I have one rural community that lost several farm dealerships last year. The community is in decline. I had a public meeting and there were grown people crying at that meeting. That is how serious it is. They are losing their farms. It is not just the farmers. The businessmen were losing their car dealerships. It does not stop there. It goes to the cities, because in western Canada in particular where I live, agriculture is a very big part. For every job in agriculture there are seven spinoff jobs. If we do not think this affects the entire country we are not living in a real world.

What could be done? We know some of the things that could be done. There is the short term aid I talked about. Others have suggested tax relief on excise taxes on fuel. Those are things we could do at home. We could have transportation reform to try to get the cost of delivery down. We will have to do that. There have been some good suggestions in that regard.

The real problem has to be addressed by the international community. Canada has to play a lot stronger role in doing that. After all, who else will do it if we do not do it? Canada has long been a leader in trying to get some rules around doing business and trade in the world. Right after the war we were one of the main proponents calling for trade rules. Agriculture was not included for a lot of different reasons, but we were there and we continue to push for that.

I suggest we have to be a lot tougher in those negotiations. If we want our agricultural industry to survive, we have to start looking after our national interests much more than we are doing today. When it comes to situations like NATO saying that Canada is not playing its part and that we have to up the ante and put more money into it, we should be saying to them that we are prepared to do that. We are prepared to talk about that, but not if countries that are part of that organization have policies which are destroying a vital sector of our economy. We have to look after the national interest first, and we are not doing that.

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It goes beyond that. Europe spent \$150 billion on agriculture subsidies last year. We know that it overproduces. It does not only supply its own markets. That was its goal to begin with, but it produces 10% or 15% overage from what they need. What does it do with it? It dumps it on to the world market just to get rid of it. Those depressed prices kill our agriculture exports because they have to compete against that fire sale price.

When Europe comes to us next time with a problem in its backyard saying that Canada has great peacekeepers that are needed again in Bosnia or some place, I would say we are prepared to do that but not if it continues those kinds of policies that are killing a vital sector of our economy and destroying a way of life in Canada, destroying our rural communities.

It just seems to me that we have to get more hard nosed. We have to recognize that we have a vital industry that is important to us. We could probably import our food cheaper than we could produce it right now with the subsidies that are out there, but what happens in 15 years if those subsidies are no longer there?

What happens if the currency changes and there is a terrific devaluation? All of a sudden the price of our food becomes much more expensive. What will happen? Canadians will wake up and ask: what happened to our farmers; why were the policymakers not more responsible; why did they not encourage our farmers; and why did they not tell us about the vital need for agriculture and food security? Those are the questions they will be asking once the agricultural industry has gone.

I say we need some foresight. Collectively as a country we have to be much more hard nosed. That is the long term answer. People say to me that long term is 10 years or 15 years and their eyes glaze over. This problem existed when I came here in 1993, which will soon be eight years ago, and we are still going along with a knee-jerk reaction. The sooner we start to realize that our national interests have to be protected, the sooner we can work toward some kind of solution.

I encourage all members of the House to work together to that end. I am sorry to say that the way we are going is not the answer. We simply will not have a grain and oilseeds sector left in the near future unless we do something very important like the move I am suggesting.

• (2145)

**Ms. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance):** Mr. Speaker, I rise to add to the sense of urgency that our party believes exists in regard to letting the government know that there is a crisis for the Canadian family farm.

In my home province of Ontario, the agricultural sector in rural Ontario remains an important engine for economic growth. Project-

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ed farm gate sales of \$8.84 billion for 1999 tell us that agriculture in Ontario continues to grow. Additionally, the simultaneous increase in farm gate sales and the decline in farm jobs tells us that farmers continue to become more productive with a trend toward more capital intensive operations.

Agriculture is big business in my riding of Renfrew—Nipissing—Pembroke. A recent study that also includes our fellow Alliance members in the county of Lanark shows that there are 7,021 jobs tied to the agricultural sector and over \$240 million per annum in sales from farms and businesses that buy and sell to farms.

The study also states that for every on farm job in Renfrew and Lanark counties, there are an additional 1.3 jobs off the farm in the economy serving the needs of local farm operators. The sales expenditure multiplier shows that for every dollar spent by a farmer there is an additional \$1.45 in sales by businesses that deal with farmers.

During the past federal election, I was able to hear firsthand the plight of our local farmers. There has been a loss of small farms through consolidation. It is getting harder to find processing plants and markets to take their produce. Government services are actually being withdrawn from farmers and the gap is not always filled by the private sector. There is a shortage of skilled trades workers due to higher wages that are available elsewhere. Our most tragic problem is the exodus of our youth from the rural areas and the family farms because it is felt by some producers that there is no future on the family farm.

Most significantly, many of the farmers I spoke to believe that the problems facing farmers today are tied to one thing: low commodity prices. Much of the frustration my constituents had with the former member and the current government was that when they tried to draw attention to the farm crisis they were pushed off and told that the problem was the weather.

We in the Canadian Alliance know better. Farmers are being driven off the land by a Liberal government that has had its head in the sand when it comes to the practices of our trading partners.

Farmers are not asking for special treatment but for a level playing field when it comes to heavily subsidized foreign produce being dumped into our markets. Even though U.S. farmers are paid 10 times the amount of government dollars that the Canadian government pays to our farmers, Canadians enjoy some of the lowest food prices in the developed world. Where European consumers spend 30% of their incomes on food and Americans spend 11%, Canadians spend just 9.5% of their incomes on food.

Canadian farmers need a government that is on their side. It saddened me to learn that in the last parliament, Liberal, PC and NDP members on the Standing Committee for Agriculture and

Agri-Food voted twice against allowing the committee to travel in Ontario to hear from farmers directly.

• (2150)

As an Alliance member from Ontario I am not afraid to hear about the plight of farmers in my home province, and they have my commitment that they will have a voice through me in this parliament, where they have not had one since at least 1993.

What farmers in Ontario and Renfrew county need is an immediate cash injection to safeguard the spring crop. They need a cost of production farm support program, one for all of Canada, and a government that will protect the independent farmer and the consumer from big business, which is buying up all the competition.

Once big business has driven the independent producers out of business, wait for prices to climb out of control. All we are asking is that the government support the needs of Canadian farmers so they can continue to put quality homegrown food on the tables of consumers.

**Mr. Jerry Pickard (Chatham—Kent Essex, Lib.):** Mr. Speaker, I will be sharing my time with the member for Haliburton—Victoria—Brock.

I am pleased to have the opportunity to take part in this debate tonight. Member after member has stood in the House and pointed out that there is a tragic crisis in the agricultural community, and no one in the House, no one who has spent time with agricultural people, will deny that. We certainly need to make some changes. We need to move that agenda very rapidly and we need short term and long term solutions for that crisis.

A safe and abundant food supply that is very cheap is clearly one of the joys that we in Canada share. The agriculture and agrifood industry plays an enormous role in the daily living of every Canadian. The agriculture and agrifood industry is the third largest employer in Canada, generating about \$95 billion in domestic, retail and food service sales each year and \$22 billion in exports.

Indeed, the agriculture and agrifood industry holds a significant place in our country's economy. That is why the current state of this industry—and its future—is an extremely important issue for all people in Canada. Every Canadian must pay careful attention to what is happening.

Canadian farmers boast an impressive record despite the distressed economic situation they are facing. Farming has always been a risky business, but never more so than today. Low commodity prices, adverse weather, high input costs and overproduction due to high subsidies in the United States and the European Union

are causing great hardship for our Canadian farmers. This is particularly the case for our grains and oilseeds producers, who have experienced significant income declines due to circumstances far beyond their control.

Prices paid to Ontario and other Canadian farmers for sales of most Ontario grains and oilseed crops have been near their lowest historic levels in value. In real dollars, they are lower in the last four years than in any historic past. This is a direct result of government policies in western Europe and the United States. We are told that a crop farmer in Ontario growing a typical balance of corn, soybeans and wheat receives less than half as much government support as he or she would receive from growing identical crops just a few miles south of my riding, in the United States. This is the reality my local farmers face.

Since December 20, the price of corn has dropped 10 cents to 13 cents a bushel. Soybeans are down 82 cents to 84 cents a bushel. Fuel and fertilizer costs are up. Last summer ammonium nitrate was \$300 a metric tonne and now it is \$345. The price of urea has increased from \$300 to \$450. Local property taxes are forecasted to increase. Farmers are having difficulty obtaining bank loans and banks will start foreclosure. In fact, news of foreclosures has already been splashed across the media in my area.

• (2155)

Farmers are wondering if they can even plant their crops this year, and the level of frustration among farmers is reaching a peak.

The approach the federal government has taken so far involves short term and long term measures. To respond to the farmers' immediate needs, emergency assistance has been put in place, first in 1998 and again last July. We worked hard to implement a three year \$3.3 billion federal plan for agricultural incomes. This approach includes an outgoing income disaster program, which Canadian farmers called for. Annual funding for safety nets now committed by the federal government is almost double what it was before this agreement.

Over the past five years the federal government has spent approximately \$13 billion in support of the agrifood sector, but immediate cash shortfalls and assistance programs are only part of the solution. At present, they are not helping our farm community as much as our farm community needs. Several members of the House have made it very clear a cash injection at this time is imperative. There is no question that we need to make sure there is some stability in that agricultural sector here in this country now. I think that is extremely important.

We also have to realize that we need to go onto the international scene, as many members of the House have said and certainly as the farm communities have said. We all want forms of agricultural support subsidies eliminated. Support subsidies in Europe, in the

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United States and in other countries that compete with our farmers cripple our farmers if our farmers do not get the same supports. If we try to raise our supports, we will just have a spiralling roof which will make it impossible to have reasonable prices for commodities.

Our farm communities have said very carefully that they do not want subsidies, they want fairness. They want good prices for their products. Cheap food is a reality in Canada, but we have not supported our agricultural producers who are producing that cheap food in the way we need to. The sooner the better, the minister has said, let us get rid of these subsidies. Let us not just go on a cheap food policy, but let us stop international dumping at low costs. Everyone gets hurt when it is an internationally subsidized crop. Clear rules are needed to prevent the forms of export assistance from becoming subsidies for export.

The same goes for domestic forms of assistance that can be as trade distorting as export subsidies. If world prices that are already too low are being driven down by these unfair practices, if these practices are hurting our farmers and farmers in the majority of other agriculture producing countries, these practices should be curtailed and eliminated. Rules that apply equally to all are an important part of a trade equation. Trade rules that are open, secure and predictable, as well as fair and level, are the key to ensuring that agricultural policies of this country and all other countries are fair.

That is why I am pleased to hear the Prime Minister recently state that we must address the subsidy problem, that our farmers should be able to compete on a level playing field. The subsidy wars are of no interest or help to Canadians. This is a battle Canada must win. Positioning the Canadian agriculture and agrifood sector strategically for the long term is an important element in helping Canadian farmers achieve stability, profitability and long term support.

That is why I was equally pleased to see that agriculture was mentioned in the recent throne speech and that the government will help Canada's agricultural sector move beyond crisis management.

• (2200)

I could not agree more. It is time the Government of Canada and Canadian farmers moved beyond the crisis management mode and worked together. I support the government's efforts to support this vital industry. However, we must commit to doing even more for our farmers at this time, especially those in the grain and oilseed sectors.

We need to do everything possible to help farmers who put food on our tables through this difficult period. We need to close the gap and put farmers on a fair and equal footing. That is what farmers want; that is what the government must do; and that is what I have heard from every member of the House who stood today.



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We need to recognize very clearly the agricultural crisis. It is important to thousands of families across the land who do not farm. It is important to the sectors of society that sell goods to farmers. It is important to the sectors of society that use farm products. It is important to the sectors of society that are helped by this thriving industry.

Let us not forget that this basic industry has been the foundation for Canada's development in the past and in the present. It will be the industry of the future that will ensure the well-being of Canadians.

**Mr. John O'Reilly (Haliburton—Victoria—Brock, Lib.):** Mr. Speaker, I am using the last half of my friend's time. I wanted to make sure that the debate included Haliburton—Victoria—Brock. If I combine my riding with the neighbouring riding of Hastings—Frontenac, they together comprise a third of the land in southern Ontario.

My riding is a rural riding in Ontario, with 24 Santa Claus parades, 18 cenotaph services and many other such things that happen in rural ridings. When visiting its 44 municipalities I realize that I am dealing with small groups of agriculture based people.

It is the same in your riding, Mr. Speaker, which is a big farm community. There was a rally in your riding the other day, and I thank you for attending it. Some farmers from my riding were there to make the point that there was a crisis in certain sectors of agriculture today. More than one sector of agriculture is affected because today's problems in one sector are tomorrow's problems in another.

There are 27 commodity groups in Ontario. I have been trying to encourage farm groups to get together as one voice and not as segregated groups trying to accomplish things for their own sectors.

I work with farm groups. I realize they are very proud people. They are not looking for a handout. They are looking to work on a level playing field, as the saying goes, and to be able to compete globally.

Canada has some of the most efficient farmers in the world. My riding has a lot of agricultural groups that work through the supply management system. There are over 400 working dairy farms in my riding. When I approach farmers with items of concern, when I bring some of the chief negotiators into the riding to work with them to find ways to be more productive, the meetings tend to be very big.

Before this debate I attended a meeting with the Minister of Finance. I wanted to make sure he knew exactly what the problems were, what the numbers were and what we were asking for. I wanted also to be assured he had those numbers when he went to

cabinet along with the minister of agriculture, so that they knew exactly what it would take for the 60 days between now and planting season. After planting season, farm people must look at what they will get for their crops in the end.

• (2205)

This is not a quick fix to get the seed in the ground. It is required in order to get a good price for the product. That is the systemic problem in Ontario and other provinces at this time.

This afternoon we met with the members for Malpeque, Essex, Lambton—Kent—Middlesex, Leeds—Grenville, Dufferin—Peel—Wellington—Grey, Elgin—Middlesex—London and the member for Etobicoke North who does not have any farms there. He is parliamentary secretary and we thought we should have him.

As we dealt with it, talked about it and laid out the numbers, we saw that it was a whole farm problem. It is not just one commodity group, although at this time grains and oilseeds are having problems and are at the forefront. Other sectors could be affected because Canada's food production is under attack from the world. If we allow ourselves to be taken over, if we allow the marketplace to be the only force that decides, we will not have family farms. We must deal with the issue.

I compliment some of the people in my riding: Ed Bragshaw, Bruce Webster, Joe Hickson and Bill Holland. They have held rallies. They have presented petitions. They have had phone campaigns. They are addressing the problem in a way that is very important to them and to me. They bring their voices forward to be heard.

I also compliment the member for Toronto—Danforth, who is a leader in promotion and a tremendous thinker when it comes to things like the farm aid show. There are no farms in his riding, but he is looking at being the voice for bringing farmers together. He is trying to make some type of promotional hook, and he knows today's problem with grains and oilseeds is tomorrow's problem for other sectors of agriculture.

A farm organization gets six cents worth of product in a box of cereal while a dollar on that box goes to a hockey player. I have nothing against hockey players. I know your son is in the NHL, Mr. Speaker. I am glad he is getting a dollar from a box of cereal. The point is that if a farmer gets six cents for the cereal while a golfer gets a dollar for his picture on the box, there is obviously something wrong with the way we do business in agriculture.

Our parties here tonight are close to short term solutions but the long term problems will still exist. An instant infusion of cash does not help the systemic problems. Another compounding issue is that on very successful farms the average age of a farmer is 57 or 58 years old. The younger generation is being discouraged from farming because of the problems in the marketplace.

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In the short term I compliment the agricultural community for putting its voices together and bringing the problem to the forefront. I thank you, Mr. Speaker, for allowing the debate to continue. I compliment the member for Brandon—Souris for bringing the problem to the House.

I ask the House to continue to debate our food system, not just grains and oilseeds but the whole farm problem, the whole food system, and the safety of our food, which is uppermost in our minds. I think this problem is the tip of the iceberg for what is going on in agriculture today. We must address it very aggressively.

The House has to take a proactive stand to make sure farmers are protected and that they get a decent return for what they produce. The input costs have to be taken into consideration for the price of the end product.

I hope the House will continue to address the whole farm problem and not just the one segment before us tonight.

● (2210)

**Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP):** Mr. Speaker, I intend to share my time with my colleague from Nova Scotia who has a brilliant dissertation to make about the problems facing maritime agriculture, including the problems in Prince Edward Island.

This is the worst crisis in prairie agriculture since the 1930s. I am talking specifically about the grain and oilseed industry. In the 1930s many people were forced off the land. Today the same thing is happening and it is happening in spades.

From the fall of 1999 to the fall of 2000 some 22,000 prairie farmers were forced off the land: 6,500 in my own province, about 4,000 or 5,000 in Manitoba, and more than 10,000 in Alberta. So many farmers were forced off the land that statisticians at Statistics Canada at first could not believe what their computers told them. About 40,000 people in the farm industry were forced off the land at the same time.

The crisis on the prairies is unlike anything we have seen since the 1930s. All one has to do is drive around small towns in Saskatchewan and Manitoba to see how real the crisis is. The situation is the same in Alberta outside of Edmonton and Calgary. Regina and Saskatoon are not doing badly, but the rest of Saskatchewan is really suffering because of the farm crisis.

During the election campaign and last summer I went to every small town and village in my riding. With the exception of one or two, every town is suffering a loss of population. People are moving out and businesses are closing because of the collapse of the farm economy. The towns that are doing well, like my

hometown of Wynyard or the town of Fort Qu'Appelle, are doing well because of other industries.

There is a chicken plant in Wynyard called Lillydale that employs about 500 people. The employees are unionized and receive decent wages and have decent working conditions. Despite that, the town is only holding its own.

Fort Qu'Appelle is a tourist town with a big tourist industry, particularly in the summertime. There too the people are only holding their own. Most other towns are shrinking because of the crisis in agriculture.

Two things have to happen and they have to happen soon. First, we need an immediate injection of cash into the farm economy so that farmers can seed their crops in the spring. If that does not happen thousands more farmers will leave the land.

Second, we need a long term farm program that has some relationship to the cost of production so that farmers have basic some guarantees about the commodities they produce. We can do that within the confines and context of the World Trade Organization.

It strikes me as strange that farmers in Canada are not as supported as farmers in the United States. Canada has a \$100 billion surplus for the next five years. We can afford now to help grain farmers. Washington helps American farmers in North Dakota, Montana, Oklahoma and right across the midwest of the United States. Brussels helps European farmers. What does our federal government do? It does very little when it comes to helping grain and oilseed farmers across Canada.

What we need is a long term farm program that is based on the cost of production so that farmers have an idea in the spring what they will receive in the fall. They need to know they will get back at least the cost of producing a crop and a decent living wage for their families. That is the kind of thing that will have to happen.

We also have to realize that if the government does not take the initiative to intervene in terms of long term programs to support the family farm and its way of life, those farms will disappear and corporate farms will take over. Small towns will be gone and soon Cargill, Dow Chemical, Monsanto and big corporations will run the entire western Canadian farm base. The only institution large enough to turn the trend around is the Government of Canada representing all the people of the country.

● (2215)

What we should realize is that agriculture is the basic foundation industry of this country and when the farmer is better off then we are all better off in terms of our economy and the creation of jobs in Canada. That is what a lot of people in the government do not seem to realize or understand.

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There are some sections of farming that are not doing badly. The member for Malpeque said earlier that in the late 1960s legislation was read in the House to bring in supply management and marketing boards for four commodities. We have the Canadian Dairy Commission, CEMA, the Canadian Egg Marketing Agency, the Canadian Chicken Marketing Agency and the Canadian Turkey Marketing Agency. These supply management boards guarantee to the producers in those areas a cost of production and a standard of living which is reasonable and decent for the products and foods they produce. For the consumers, they produce a stable price for people who buy milk, turkey, chickens and eggs.

Even those marketing boards are now under threat because of the World Trade Organization and mainly because the Americans see them as an inhibition to a so-called free market. For the Americans, the free market definition is what is good for a huge transnational corporation is good for the people of the United States. I say that is wrong. We have to fight to maintain our supply marketing boards. We have to fight to maintain the strength of the Canadian Wheat Board. It is very important that we have a single desk marketing agency which is the Canadian Wheat Board.

I am surprised time and time again to see the Alliance Party get up and talk about a dual marketing system which in effect would destroy the Canadian Wheat Board.

Those are issues that are very important if we are to preserve the farm in Canada. If we had a dual marketing system, the Canadian Wheat Board would not survive because it would be in competition with the huge transnational, multinational grain companies in Canada.

These are some of the issues. We plead tonight with the Minister of Finance to loosen the purse strings a bit and come up with an immediate injection of cash so that grain farmers can afford to put in a crop. We plead with him to come up with an immediate injection of cash that would help the farmers. There are stories after stories being told of their hardships and about people being forced off the land.

More important, in addition to that number one priority, is to make sure we have a long term program that is based on the cost of production so that farmers, like grain farmers, dairy producers, chicken producers and turkey producers will have some kind of a guarantee for the price of their commodities when they plant a crop in the spring. They should have some kind of a guarantee of a decent price come the fall.

I do not know why this has not become a priority of the Liberal government. We get up here day after day and say there is a crisis. We have Liberals day after day saying there is a crisis. My God, if there is a crisis, let us do something about it. Let us restore some democracy to this institution. Let us separate parliament from the executive. Let us have parliament say to the executive, the Government of Canada and to the cabinet, that this is a crisis, that

as a crisis it is a priority and if it is a priority then money should be spent in making sure we solve the problems, not just for the farmers but for the people of Canada. That is what has to be done.

Instead we have an institution that has become more of a debating society where people get up and pontificate and make speeches. Some of them are good, like the member for Brandon—Souris who made an excellent speech. We come up and make these speeches time and time again. No wonder people are getting cynical of this institution. No wonder only 60% of the people voted in the last election. In spite of all the good words, the good intentions, all the speeches, the research and the money spent to run this place, it is falling on deaf ears when it comes to the Minister of Finance, the Prime Minister, the mandarins in the Privy Council Office and in the Department of Finance.

It is about time the House passed a motion insisting that the will of parliament is to make sure we have an immediate short term program for the farmers and a long term program based on the cost of production to keep our farmers on the land.

My time has expired and there is going to be an absolutely eloquent speech coming from my friend from Nova Scotia.

• (2220)

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Speaker, it gives me great pleasure and sadness at the same time to rise in the House to speak on the crisis in the country.

Coming from the east coast and going through the crisis in the fishing industry, I say that the parallels are exactly the same. My colleague from the Conservative Party from St. John's East, the member for St. John's West and the five Liberals who come from Newfoundland and Labrador can eloquently state that the exact same thing that is happening to our farmers in 2001 happened to our fishermen and their families in 1993. What did the government learn from that? Absolutely nothing.

Two weeks ago a group of farmers and their children spoke to our caucus about the crisis in the industry. I asked a young man who was about 12 or 13 years old from Saskatchewan if he was going to go into farming when he was old enough. The young man said no. I asked if any kids in his school who were going to take up agriculture as a way of life like his father, his grandfather and his forefathers did. The answer was no. This young man came to the House of Commons. He was very nervous. He spoke to us as parliamentarians and told us very honestly that there was no future for him or his classmates in agriculture.

I want to say this to anyone who is listening to the governing party, the official opposition and other political parties. Just who in hell will our farmers be in the future? Who is going to feed us? Who is going to feed our children? Who is going to look after us?

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When we wake up and have breakfast in the morning, and when all Canadians wake up and feeds their kids oatmeal and cereal, where do they think that food comes from? It comes from the farmers. We are losing our food sovereignty. The day we lose that is the day that will live in infamy. It will be a very sad day when we have to rely on other nations to feed our population.

Just recently an absolute shame happened on Prince Edward Island. On a corporate farm, Cavendish Farms in P.E.I., a few potatoes were found with a bit of a wart. They call it a potato blight. Immediately it was sent to CFIA. Immediately the Americans were told and on Hallowe'en they shut the market down to P.E.I. potatoes, causing a huge crisis. About \$30 million to \$50 million of agricultural funds are being lost by potato producers on the island.

What did the Americans have the gall to tell our Canadian representatives? They said that not only was P.E.I. not allowed to sell potatoes to the States because of the blight, it was not even allowed to sell its potatoes to other parts of Canada because of the so-called fear that the blight might spread to other fields. Imagine that?

What did our minister say? He said they would talk about it more and discuss it further. The minister showed absolutely no backbone by not standing up and protecting the producers in P.E.I., and by not telling the Americans once and for all to take their agricultural concerns and shove them where the sun does not shine. I say that with due all respect to my American cousins.

If Canada does not stand up for its producers, who will? Who will stand up for the P.E.I. farmers? I give kudos to the member for Malpeque. He is not only a personal friend, and I know he is in the governing party, but he has done yeoman's work in his years as a president of the National Farmers Union and as a Liberal backbencher to pursue this issue within his own government. He has told me many times how frustrated he is with the department of agriculture and with the lack of attention it pays to Canadian farmers and their families.

It is an absolute disgrace that I, as an immigrant, have to stand in the House of Commons to try to defend the interests of farmers along with the eloquent speakers from Regina—Qu'Appelle and Palliser, and also, my great colleague Mr. John Solomon of Regina stood in the House time and time again to plead, to bargain, to do anything to bring the attention of the House to the farmers.

• (2225)

What happened? We get the same old rhetoric. We do not know if we can do anything. We are not sure. We are going to have to pick up the phone and see what the Americans are going to do.

In the short amount of time that I have left, let me say that Mr. John Solomon, a former member of the House, was in Brussels once at a UN talk. He met a French minister. They talked about the agricultural subsidies and the battles which were going on. What

was said to Mr. Solomon was very clear about how the European Union looks after its farmers. The French minister said to John that if he thought for one second that the French were not going to look after their farmers because of the States or Canada, then he was out of his head. He also said that France would do everything in its power to see that its farmers were taken care of. They wanted French farmers to produce food to feed them.

That is almost a revelation. It is unbelievable that in France ministers stand up for their farmers. However, what do we do in Canada? We play the boy scout routine. We cut, slash, absolutely annihilate the farmers and force them off the lands.

In Newfoundland many years ago there was a premier named Joey Smallwood who brought in the resettlement program. At least he had the intellectual honesty to tell the people he was going to move them from the outports and industrialize them into the major centres.

The government does not even have the courage to tell the farmers that it is going to force them off the lands, which is the exact same thing it did to the fishermen on the east coast. The same crisis is happening to the fishermen on the west coast. It is not a surprise. There is no secrecy in this issue. I honestly believe that the government has an agenda in place to get rid of the independent family farm and move it to major transnational corporations and to big agri-farms. I think that is the future that the government wants to pursue. That is absolutely incredible.

On the east coast we lost the independent fishermen. We lost our lighthouses. In central Canada they are losing their grain elevators and their family farms. How can the government stand up and call itself a national party that cares about all citizens when it will not even look after the people who feed us every single day?

I ask you, Mr. Speaker, in your role in this Chamber, and anyone who is listening, when you have breakfast in the morning, to say a little prayer for our farmers and for the women and the children on those farms. They are the ones who feed us. They are the ones who take care of us. If we cannot take care of them and look after them, then we do not deserve to be in government. We do not even deserve to be in the House of Commons.

In fact, I think it would be excellent for the House and the Department of Agriculture and Agri-Food to get out of their ivory towers. Everyone should get on a combine or put on a pair of jeans and a sweatshirt and go out on the family farm. We should get up at 4 o'clock in the morning to see what it is like to plant the seeds in order to look after our farmers and our food. We must see where it actually comes from.

We have been sanitized to think that we just get up in the morning, we open up the fridge, the cupboard and, voila, there is all this food. If we run out, we go to the local store. That food comes directly from the farm from people who make a minimum salary and from people who love what they are doing. They feel absolute-



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ly out of touch with what is going on in the government. The government is absolutely out of touch with them.

I ask all members of parliament, especially my colleagues from the Liberal party for whom I have great respect, to please do something to help the farmers now. Bring in the long term plans for our farmers so that we can have farming in this country for many years to come.

[*Translation*]

**Mr. Jacques Saada (Brossard—La Prairie, Lib.):** Mr. Speaker, I believe that if you were to seek it you would find unanimous consent for the following motion:

That until the end of the debate, no dilatory motion such as quorum calls or motions to extend debate under Standing Order 26(1) shall be introduced.

• (2230)

[*English*]

**Mr. Bill Blaikie:** Mr. Speaker, I rise on a point of order. Before we give consent to this particular request, I would like to make it known that this request was sought not on the floor of the House but in an earlier meeting and it was denied. I hope that by agreeing to this now we would not be setting any precedent or giving the government the impression that this is something we want to do at an earlier point in an emergency debate.

The members on the other side do not have to agree but I am trying to make a point here.

When there is an emergency debate, presumably members of the opposition or others who sought the emergency debate would want to have an opportunity to convince the government members that there is in fact an emergency. In order to do that, we need to have government members on the other side to talk to, which is one of the reasons we did not agree to the autopilot motion earlier. Otherwise we would have been speaking to an empty House all night.

Seeing as the debate is winding down, we agree but without prejudice to agreeing to do this in other circumstances.

**The Deputy Speaker:** Let me take this in the usual two steps. Does the hon. government deputy whip have consent to present his motion?

**Some hon. members:** Agreed.

**The Deputy Speaker:** The House has heard the terms of the motion. Does the House give its consent to the motion?

**Some hon. members:** Agreed.

(Motion agreed to)

**Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.):** Mr. Speaker, while I am pleased to have this opportunity to include my comments during this emergency debate, it is unfortunate that this debate is even necessary.

We must change the mindset that exists in some quarters of official Ottawa, which may see agriculture as some outdated sector of our economy and may suggest that better management on our farms might solve all today's problems. Trust me: management of our farms is not the problem.

We are asking our farmers to confront and challenge the highly competitive export market while being tackled by subsidies in the U.S. and the European Union. Farmers need a level playing field to continue in the industry. For example, let me share with the House this evening an income statement from a local farmer, as of December 31, 2000. He owns and rents about 600 acres. His nitrogen costs were about \$250 per tonne, a 67% increase from 1999. As of January 31, 2001, the cost is \$350 per tonne, a 40% increase in one month. His diesel fuel increased 42% in one year. His income was just under \$186,000 and his expenses were just slightly over \$242,000. His net income is thus a negative \$55,300.

At this point I should mention that I will be sharing my time with the hon. Minister of Natural Resources.

How long can we expect this farmer to continue? This financial predicament has nothing to do with bad farming practices but everything to do with matters outside his or her control, such as high input costs and low commodity prices.

I hope that the decision makers are listening, because what is happening on our farms is not due to bad management or outdated ideas. We have survived thus far, due in large measure to good management and meeting the challenges of ever changing times. As a farmer in my life before politics I know well of the trials and tribulations. We cannot control the weather any more than we wish we could control the U.S. congress or France's financial backing of its agriculture sector.

There are many issues, one being subsidies, that our government is addressing on the global stage. Those matters are important and vital to the long term survival of our highly diversified farms.

I hear from farmers and their organizations every day. In rural Canada we are independent and self-sufficient. Demonstrations, blocking of traffic and rallies to highlight food freedom day are not the first objectives of farmers, but the frustration has grown rapidly.

Last summer several meetings were hosted by the Ontario Federation of Agriculture for farmers to talk about their circumstances to their provincial and federal elected members. One of the

largest meetings was held in my riding, which is home to many farm leaders such as Ontario corn producers, soybean growers, asparagus growers and Ontario wheat producers, and the list goes on.

We know that the employment and sale expenditure multipliers indicate that for every job in agriculture there are an additional 1.28 jobs outside agriculture, and for each dollar in sales in agriculture, there is \$1.57 in sales in agriculture related businesses.

● (2235 )

When farmers are in financial difficulty the ripple effect is felt across all sectors of the economy, especially in our rural communities. Agriculture is big business. It is an original life science. This sector is continuously evolving and adapting in order to achieve goals and meet new challenges identified by science, trade and societal demands. Food production has become more efficient. Farmers have increased crop diversification, and agriculture's impact on the environment has gained much significance, especially in recent years.

To maintain Canada's high standard of agricultural production, the industry requires investment. Strengthening the agriculture and agrifood industry will serve to benefit all Canadians by providing safe and affordable food, greater employment, new uses for non-food products and a greener environment. We must secure conditions for success by improving farm income supports, lessening the tax burden on our farmers, improving research and development and investing in sustainable agriculture.

A vision for the future of agriculture has been laid out but the path to get there is still uncertain. Some progress has been made and too often that gets lost in the rush by others to criticize and condemn. I congratulate our Minister of Agriculture and Agri-Food for working with the provinces on the new \$5.5 billion three year national safety net agreement. It is part of our 85% increase in farm support since 1995 while the Ontario government, for example, continues to spend less.

The new safety net agreement followed many months of intense discussion. It was not easy. The prairie provinces felt they should be treated differently from Ontario, while the Ontario government was pushing for its fair share of the nationally allocated safety net dollars. Ontario received an additional \$32 million per year as a result of those positive changes.

I believe we now have the appropriate programs in place, but we must enhance that with additional funding. It is essential to point out that the provinces do have a role to play here as well. They are quick to denounce and, in Ontario's case, slow to support.

The intent of safety nets is to set a solid foundation for a complementary package of programs to address a variety of farm income problems resulting from such factors as fluctuating prices, poor weather and foreign subsidies, but we must now look at doing

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more. Commodity prices are at historically low levels. For some products, prices will stay low for both the short and the long term. Foreign subsidies are not coming down. Farm input costs, including fuel and fertilizer costs, are not going down. Together they account for about \$3.8 billion, or 13% of total input expenses.

We have enhanced NISA by allowing participants easier access to their accounts, and the federal government contributes at twice the rate of the provincial governments. We have renewed crop insurance. We have extended and enhanced the market revenue insurance program, which is expected to pay out more than \$200 million for 2000.

Farmers often need access to credit to help them get their crops planted in the spring. That is why in April 2000 we launched the spring credit advance program, worth \$52 million to 3,000 Ontario farmers.

We also know that farmers have bills to pay in the fall, often before they want to market their crops, so we continue to provide fall cash advance programs through the advanced payments program, through which the federal government pays the interest on the first \$50,000 of an advance issued to a producer. About 4,000 Ontario farmers have been in the program over the past three years, saving over \$6 million in interest.

National and provincial farm groups are suggesting adding \$300 million to farm safety nets to address the crisis in the grains and oilseeds sector in particular, with 60% from the federal government and 40% from the province. This would help level the playing field.

We need to make certain that Canadian food continues to be produced at a reasonable price and at a fair return to our primary producers. Our nation is a success with a strong and viable agriculture industry. Let us all work together to ensure that agriculture remains a success within Canada. We can, and we must, do more.

● (2240 )

**Mr. John Maloney (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I am pleased to speak in the emergency debate on our agricultural sector.

I will take this opportunity to talk about food safety, an issue that is very important to the agricultural industry and to all Canadians. Food safety has become an issue in the media recently as a result of Canada's decision to suspend imports of food products from Brazil.

I would like to remind the House that Canada has one of the safest food supplies in the world, and during this debate I want to explain to the House how the current issues involving Brazilian food products have arisen as a result of our vigorous measures to put the health and safety of Canadians first and foremost.

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We have a system of laws, regulations, inspections and product approval procedures that protects the health and safety of our food supply. The system is based on checks and balances to ensure that all parties fulfil their responsibilities. Imported products are subject to the same rigorous production and inspection standards that we set for our own domestic food products. Canadians expect no less.

Recently the food inspection systems in Canada and in other countries have had to respond to a new and troubling development, the growing threat of TSEs, transmissible spongiform encephalopathies. TSEs are fatal diseases that affect the central nervous system of animals or humans. They include diseases such as scrapie in sheep. In elk and deer, they take the form of chronic wasting disease.

In the past few years there has been a growing concern about the form TSEs take in cattle, bovine spongiform encephalopathy or BSE, also known as mad cow disease. Researchers speculate that ingesting BSE infected beef may be related to Creutzfeldt-Jakob disease, the form that TSE takes in humans.

Canada has taken several measures to prevent the introduction of BSE or the spread of TSEs. So far these measures have proven to be successful. We have no reason to believe that BSE exists in Canada, but there is no such thing as zero risk and we cannot guarantee that a case of BSE will never occur in Canada.

In today's debate on what is happening in agriculture, I wish to reassure the House that the government has placed a very high priority on keeping BSE out of Canada. As a front line of defence, the Canadian Food Inspection Agency implements Health Canada's policy of keeping animals diagnosed or suspected of being infected with TSE out of the human or animal food chain.

Canadian veterinarians and livestock producers have been alerted to the signs of BSE. They must report suspected cases to a federal veterinarian. Adult cattle exhibiting symptoms suggestive of BSE are destroyed and subjected to a laboratory examination for BSE. Canada tests hundreds of cattle for BSE every year and has tested over 4,800 cattle in total since its BSE surveillance program was started. This level of testing exceeds international recommendations.

However, I want to emphasize that Canadians have a right to expect that the food that comes into this country meets the same high standards we apply to domestic products, so we have a policy of not importing ruminant meat and meat products from countries that have BSE.

We also have additional import controls in place for other animal products and byproducts from countries which have confirmed BSE in native animals. In fact, since December 7 we have

suspended the importation of rendered material from all species from any country that has BSE. These countries include: the United Kingdom, Germany, France, Portugal, Denmark, Spain and Italy.

However, there are troubling signs that BSE may have spread beyond the countries where it first became a problem. For that reason, Canada has implemented a fair and reasonable policy to require our trading partners to provide us with information that would permit us to assess BSE status. In May 1998 we sent our trading partners notification of these policies. We provided a questionnaire to be used in assessing BSE status in these countries.

Our trading partners responded, except for one country, Brazil. Argentina, Uruguay, Australia, New Zealand and the United States all provided information that has allowed the Canadian Food Inspection Agency to conduct a proper assessment. Brazil did not. All these countries have been recognized as BSE free in accordance with the established process. Brazil has not. In addition, further information came to light that Brazil may have imported cattle from European Union countries that are not free of BSE.

In the interest of the health and safety of Canadians, we cannot stand by and let food products come into the country that we cannot demonstrate are BSE free. That is why earlier this month Canada suspended current imports of canned corned beef and liquid beef extract from Brazil. We proceeded with the removal of these products from the marketplace.

Until Brazil can show that it meets the established process to determine the safety of its beef products, we cannot let these products into the country. This is a health issue. Those who would confuse this issue with other disputes Canada has with Brazil are, in effect, asking the government to take its eye off the ball. The first and foremost priority is the health and safety of all Canadians.

Canada is taking an extra step to help resolve this issue.

● (2245 )

Today the Canadian Food Inspection Agency announced that a team of scientists would conduct an onsite visit in Brazil as part of a continuing process to fully assess the Brazilian regulatory system for the risk of BSE. The team will be joined by officials from the United States and Mexico that are also working with Canada to review the documentation provided by Brazil on its BSE situation.

Together we are assessing three specific risk factors: Brazil's feeding and rendering practices, its import practices, and its surveillance and laboratory procedures. We need further information on these factors before we can have confidence that the Brazilian regulatory system is keeping BSE out of that country. Once the information is complete it will be reviewed and verified.

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The Canadian Food Inspection Agency is doing everything possible to expedite this process and complete the assessment as quickly as it can. If Brazil meets Canada's requirement and is assessed as free of BSE, the temporary suspension of imports will be lifted.

Canadians can be proud of the high standards set by its food health and safety system. We have one of the best systems in the world, but that does not mean that we will allow ourselves to become complacent.

We will continue to be vigilant, to learn, to reassess, and to respond as science and experience evolve. We impose rigorous standards on the food produced in this country. We impose the same standards on the food that comes into this country. In today's debate on the state of agriculture in Canada, the strength of that food and safety system deserves the support of the House.

In the very brief time remaining, allow me to address the current crisis in our grains and oilseeds industries. A combination of factors has challenged our agricultural producers. Subsidies to our trade competitors, especially the U.S.; global grain stocks surpluses; and financial and political instability in Asia, Latin America and Eastern Europe have decreased demand for our commodities and pushed prices to their lowest levels in 20 years.

Unpredictable weather last spring and summer plagued farmers in my constituency of Erie—Lincoln. Many fields were too wet to plant, notwithstanding all the spring soil preparation that had been completed and the significant costs incurred. Indeed the cost of diesel and nitrogen fertilizers increased over 20% during the year 2000.

For those who got their seeds in the ground the situation only deteriorated. When the cool damp weather persisted crop growth was stunted or non-existent. At the end of June in place of crops that should have been lush and green, there were vast expanses of dried mud hard as concrete peaking above ponds of water. The 2000 crop year in my area was quite literally a washout with no yield or a pitifully poor yield.

As a result some farmers in my area are experiencing a disastrous cash crisis. I recall one young farmer coming to the microphone at an OFA meeting and advising that he had saved \$10,000 a year for the previous 10 years to accumulate enough capital to buy a farm and embark upon a career he dearly loved. In one growing season his equity was drowned out. It was enough to make a grown man cry. In fact, that is exactly what he did before all those assembled.

This evening we have heard the many forms of safety net policies already in place. Last summer the federal and provincial ministers of agriculture reached an agreement on a new three year

framework for safety nets. The Canadian farm income program will provide up to \$5.5 billion in support to farmers over the length of the agreement, \$3.3 billion from the federal government and \$2.2 billion from the provincial government.

Farm groups have long been calling for a disaster component as part of the safety net programming. The Liberal government has responded to this request with new funding of over \$1.2 billion for disaster relief over the life of the agreement.

For the first time producers have a safety net framework that includes such programs as NISA, crop insurance and its companion programs, as well as disaster relief programming.

The spring credit advance program also deserves mention. Under the 2000 spring credit advance program, \$356 million in advances were issued to 31,000 producers. An evaluation of the 2000 spring credit advance program indicates that the program was well received by producers as it provided low cost access to credit. The spring credit advance program will be available for the 2001 crop year as well.

For the current year, advance payments program producer organizations have given over \$925 million in advances to producers to provide cash flow until they sell their 2000 crops. Producers may continue to apply for these advances until May 31 of this year.

We cannot allow our grain farmers to continue down a path to extinction. The sovereignty of our food supply is too important.

**Ms. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance):** Mr. Speaker, it is with tremendous pride that I rise to speak to the emergency debate on agriculture. That pride comes from being a farm partner. I was born and raised on a farm. I have spent my 36 years of married life farming. I know firsthand how farming has changed in the last 50 years and the challenges today's agriculture community faces.

● (2250)

I could stand here and talk for hours about agricultural subsidies, the failure of the AIDA program, the transportation costs and the Canadian Wheat Board's monopoly. I could talk about the decimation of our rural communities, the loss of young families to urban centres and the fact that our small town can hardly keep its school open let alone field a minor hockey team, but I felt this was an opportunity to let the farmers speak with their own words.

Last year, prior to entering the political arena and during the ongoing farm crisis, I took some personal action. I was very discouraged with the words and actions of the agriculture minister and the federal government toward struggling farm families. I



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thought that if I put a face on the problem perhaps the importance of the issue would be noticed.

I appealed through the media to farm women and children in Saskatchewan, Manitoba and Alberta to write letters about the circumstances that they were facing on the farm and to send them to me. I vowed to somehow try to get the minister of agriculture's attention with those letters.

Well the minister of agriculture is not here tonight but we shall have it in *Hansard*. I am going to speak their words. I received letters from farm women, farm men and children. They are amazing letters with words that speak of hard work, sacrifice, heartbreak and of feeling forgotten by the nation and their government.

Some of the letters were agonizing to read but most of the agonizing letters did not come from farm women and children, they came from men.

This evening I want to read short excerpts from just a few of the letters. I urge all members of the House to sit back in their chairs, close their eyes and listen. I wish there were more members here to hear them. I want members to really listen to the words they are about to hear. These are not words of a politician. These are the words of farmers, farm wives and the children.

## Letter No. 1 reads:

I am a farm wife raising four sons age 4 to 15. I work full-time. Due to low grain prices and excessive moisture, my husband was forced to work full-time in town. So that left our 4 sons on the farm for long hours. I did not realize how stressed my eldest son was until he expressed concerns, weeping to me one evening. He felt he had to (be the) head of the farm while his dad was away. He's 15. He should be a kid while he can.

## Letter No. 2 reads:

Everything that my mom and dad ever made went back into their 12-quarter farm. They never splurged on anything and definitely don't have any luxuries. They never took my sister and I on a holiday because they couldn't afford it. I always thought my sister and I were deprived because we didn't have lots of clothes and we didn't have our own brand new vehicles when we turned 16. I have to sit back and watch everything that my dad achieved in his 37 years of farming go down the drain. Their retirement is going down the drain because everything always went back into the farm so they could keep up and make the payments. Years of hard work and tears are down the drain. Even if my mom and dad survive another year on the farm, it won't be the same. The hurt of knowing this cannot even be said. It won't be passed down to any more family ever again. And that's not because I don't want to continue in my father's footsteps, it's because we can't make a living. The government is slapping farmers in the face. Could I charge the government with abuse? They would slap me in the face and laugh at how pitiful I am, and continue on with turning Canada into their goal of becoming the next Third World country.

## Letter No. 3 reads:

It is difficult to explain the toll and the effect that the farm crisis has had on my husband, myself, and my family. Who would have ever guessed that the year 1998 would be so disruptive for our family. As usual, the crop was put in this spring, despite the fact there was basically no moisture. My husband had to have his gall bladder removed and so he had scheduled his surgery sandwiched between seeding and springtime. My husband has never been hospitalized before in his life. The stress

mounted daily as he awaited his surgery and as he awaited the growth of the crop. Now, only a wife knows and understands the pride that men have that does not allow them to speak of their innermost concerns and fears. This is what the government does not see. It does not see farmers losing their pride and self-respect. It does not see the wives who try to improve their husband's frame of mind only to have their husband turn against them. And the government does not want to see the despair in the eyes of the farmer. The beginning of 1999 of course brought no relief—take extensions on the loans, buy a little at a time, hope for AIDA. I don't think so; hope is long-gone, not even a subject to be brought up on the farm these days. This is the real farm crisis—the loss of hope, continued discouragement and deep depression and a disregard for government figures who are clueless as to the plight of farmers.

● (2255 )

## Letter No. 4 reads:

Our family is in a farm crisis. We are durum farmers in southwest Saskatchewan who farm two sections of land. My husband and I both were both raised on farms and we chose to raise our family on the farm. We were not gifted with a family farm and realize only too well the stress of trying to make a farm work financially. We have applied for AIDA but we have heard nothing. We cashed in on all the RRSPs that we had to make last year's payments. What more are we expected to do? We do not want a handout. We want a fair value for the product we grow. We need the government to see our family as worthwhile contributors to our Canadian society. I need the government to understand that I am working as hard as I can to support my family in our chosen lifestyle of farming. Times are very financially tough for us right now. The big banks do not care about us but our government should. We farmers are talking about survival; not acquiring the newest truck; not travelling to Hawaii for the winter, not building the biggest, newest home. Please listen to us. Please understand our situation and help us through it.

## Letter No. 5 reads:

Farming in Saskatchewan has never been a cakewalk. My forefathers came to this country shortly after the turn of the century with a sense of adventure, a need for opportunity, and a keen desire to succeed. My ancestors no doubt endured hardships that tested their endurance. Canadian prairie agriculture is characterized by people determined to succeed. One thing that has not changed is the farmers' sense of pride and many farmers still prefer to put on a stiff upper lip regardless of how bad things get. We still have our pride and fortunately the facilitator of this letter campaign has pried a few stiff upper lips into telling their story. The insolence and cold-hearted responses of our nation's politicians show a pathetic lack of appreciation for what farmers are sacrificing in terms of economic stability, mental anguish and family discord.

I hope all members of every political stripe have truly heard these words. I have one more letter. It reads:

To Someone Who Cares. It has been another one of those days. Tears at breakfast and again at dinner and probably at supper too. I have a constant pressure in my chest and nausea all the time. I have never been so depressed. I have a million things to do but what is the point? Why work so hard for literally nothing? Production costs far outweigh what our crop is worth. Bills are still outstanding.

I am sharing my time with the hon. member in front of me but I want to state that the government must heed these words. It must recognize how Canadian agriculture is struggling. It is time for action from the federal government to support and stabilize an industry that is so vital to our whole nation.

The words I have read are full of meaning and a heartfelt plea for help. On behalf of these farm families I would like to table these letters in the House today. I urge the Liberal government to immediately and meaningfully address the agricultural crisis in Canada.

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**Mr. Leon Benoit (Lakeland, Canadian Alliance):** Mr. Speaker, it is with great difficulty that I rise in the House again for another emergency debate on agriculture. This is the sixth or seventh emergency debate that I have been involved in on issues involving agriculture in the seven or eight years I have been in the House.

For all of that, can we honestly say that things are any better? The answer is no. In fact things are worse than they have ever been in grain farming. Things have not improved.

Is the problem that members on this side of the House, on the opposition side, just do not care? No, that is not the problem.

Is the problem that members on this side of the House in the opposition parties do not work hard? No, that is not the problem.

Is it that we on this side of the House do not try? No, it is not.

We have just heard from my colleague who gave her presentation. We can tell from what she said that she cares, that she is working hard, and that she has tried. Opposition members of parliament have done their job and they will continue to do their job.

• (2300)

Is the problem that members on the government side do not care? No, I do not believe that for a minute. I do not believe there is one member of parliament in the House who does not care about the situation farmers are in right now.

Is the problem that members on the government side do not work hard? No, that is not the problem. I know and appreciate that members on the government side work very hard.

Is the problem that they do not try? No, it is not. Members on the government side work hard and they do care and they do try.

What is the problem? The problem is for all we care, for all we work hard, for all we try, it does precious little good because the fact is that the government is run by one man. It is run by the Prime Minister. What the Prime Minister says goes. The Prime Minister has not taken it to heart to do something about agriculture.

I heard the member for Malpeque talk earlier about the problems in the department and how public servants are not doing their job. I have some information for him. It is the responsibility of government to ensure that public servants in the departments do their jobs. Public servants work for the government. The problem is that the Prime Minister runs the show and he does not understand what is going on in agriculture.

It is time for members on the government side to take a stand, not just to try hard, not just to care, but to finally take a stand. This is the issue they must take a stand on. We have farmers, as other members have said, who will lose their farms this year. We have thousands who have lost their farms over the past few years.

I farmed for about 25 years. I still have my land. I rent it out on a crop share. I still depend on grain sales to make my payments on the mortgage on my land. I worked as a farm economist with Alberta agriculture for years, along with farming, to help support the farm and because I liked working with farmers.

It was during that time in the late eighties that I sat at the kitchen table with many farmers who were losing their farms. I saw the farm wife and the children in tears because they knew they were about to lose their farm. On many occasions I saw the husband in those situations with a blank look in his eyes because he knew he was about to lose the farm that had been in his family for three or more generations. I lived through this and I hoped and I prayed that I would never live to see it happen again.

I got into politics so I could try to change this situation and do my part to ensure that it would never happen again. I have offered suggestions to the government over and over again. These suggestions have come from farmers across the country, particularly my constituency in Alberta, and from my background in farming and working as a farm economist. Those suggestions have been ignored. My colleagues have done also brought forward suggestions.

It is time for government MPs to take a stand on this issue. This issue is important. The pain that farm families are living through once again is something that should not be happening. We cannot go back, but it is time that members on the government side tell the Prime Minister and cabinet that they are not putting up with it any more.

They should have a say in what the government does and their first say will be on agriculture. It is time for that to happen. I pray that members across the floor will finally take that stand. That is my hope and that is my prayer. I offer that not only from myself, my colleagues and members of the other opposition parties, but from farmers in my constituency, from farmers I have talked with from across Alberta, and from farmers who have contacted me and to whom I have listened from across the country.

• (2305)

It is long enough. It has been eight years. It is long enough. Many members of the governing party have been here eight years. They have been involved in the six, seven or eight emergency debates. They know in their hearts that things are not getting better. I think they know in their hearts that government could do many things that will help make things better. They know that they could

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act on some of the recommendations that have been made not only by opposition members but by their own members as well.

It is time. Eight years is enough. I encourage and I extend my hand to members of the governing party to stand up on this issue, not to let it just end with the emergency debate but to take the issue to their caucus meeting tomorrow and to the Prime Minister and to say that it is time. On behalf of the farmers who will suffer more and who could be prevented from losing their farms, on behalf of farmers who want to farm for years to come, I ask that all members in the government party now take their stand.

I cannot do more. I have offered what I believe are substantial, very useful solutions for eight years and years before that when I was not here as a member of parliament. Those solutions have not been acted on. All that is left is the members of the governing party. That is all that is left here now. They are the only people who could finally make the change which will keep farmers on the farm. They should make it happen. They are the only ones. I close by asking them to take that stand.

**The Deputy Speaker:** Before I give the floor to the member for South Shore, I want to offer my apologies to the House. It would appear that I allowed the rotation to somehow get out of sync a bit, so I will recognize the member for South Shore.

**Mr. Gerald Keddy (South Shore, PC):** Mr. Speaker, it is a pleasure to rise tonight to speak to agriculture. Like the member for Peace River who rose earlier, it is also with some regret that I rise to speak to agriculture.

This is the second emergency debate on agriculture I have participated in. I would hope it would be the last, but there is nothing coming from the government. Nothing has been promised. It is almost at a point where the government looks at agriculture as nothing ventured nothing gained; same old story; status quo is good enough; it does not have to deal with it and can forget about it.

That is simply not good enough. Hopefully, after this debate tonight and after all members have a chance to participate in it, we will be able to look back and review what has been discussed this evening. Surely the minister and his department will take another look at agriculture and be able to find a positive solution to a continuing crisis in a resource sector that many of us are from, many of us have participated in, and many of us hope to participate in again.

I have been reminded by my colleague that I will be sharing my time tonight. I know I only have 10 minutes to speak. I wonder exactly where one starts with 10 minutes to talk about an issue as vast and as wide ranging as the crisis in agriculture today.

For at least some of that time I would like to talk about some of the things that have not been discussed tonight. Not only do we

have a crisis today on the farms, whether on the east coast, the west coast or the prairies. We also have a crisis coming in the future.

● (2310)

I see the member for Malpeque listening to the debate, as he should be, because we have a continuing crisis in plant inspection and food inspection. We have a continuing crisis in our water supply, not only for crops and livestock but for people.

There is a huge debate on food safety in the country that has not begun to be approached by the government.

**An hon. member:** There is no long term plan.

**Mr. Gerald Keddy:** As the hon. member said, there is, unfortunately, no long term plan and, more important, there is no short term plan.

There is an issue at stake here. We could use a couple of examples. It was mentioned earlier this evening that P.E.I.'s potato production has been completely shut down. We have a provincial program in P.E.I. to buy potatoes and compost them. We do not have any kind of program from the federal government. We have a promise but no cold hard cash is on the table. The only things on the table on a farm in P.E.I., if they are lucky, are a teapot and couple of elbows. They are sitting there contemplating their future and wondering whether it will be in the potato industry or in any other industry.

We have an ongoing issue. It is not complicated. We cannot expect our farmers to produce against the rest of the farmers on the planet, and specifically against farmers in the United States and in the EU, if we do not subsidize our farmers to the same degree that the Americans and the Europeans do, and we do not. We are a buck and change behind the Americans, and we are two dollars and change behind the Europeans.

This is not rocket science. We have to be on a level playing field and maybe then we could convince the Americans and the Europeans to drop their subsidies back. However we cannot do that when we are behind them in the starting blocks. We can only do it when we are at par. We do, without question, have a crisis in agriculture.

I would like to point out some numbers. Numbers make our eyes glaze over after a while and we start to say that maybe it is not a number issue, but it is always a number issue and it is always an issue of dollars before it is all done.

As we enter the 21st century and Canada faces new challenges and trends, some of which I talked about earlier, such as globalization and liberalization of trade forces, Canada will be forced to

become more and more competitive. Farm incomes are already unstable. Infrastructure is crumbling. Access to capital is restricted. Foreign governments continue to subsidize their agriculture industries at high levels.

I used some rough figures a minute ago but I have an example here of real numbers. In 1997, for every dollar Canadians spent on farm support, the Americans spent \$2.06, the European Union spent \$2.14 and Japan spent \$3.47.

According to Brian Doidge of the Ridgetown College of Agricultural Technology, Canada spends 78% of its GDP on agriculture support, while the Americans spend 1.7% of its GDP. The figures are based on the OECD aggregate measures of support. The figures say very clearly that we are behind and we are not doing anything to catch up.

From 1998 to September 2000, emergency income support program payments directly to growers amounted to \$48.2 billion in the United States and \$3.1 billion in Canada. The debate is over. With that type of a ratio it is impossible to catch up unless the government is determined to catch up and unless the government says that it is going to reach parody and that when it reaches parody it will talk about being equal and about everyone dropping their subsidies back. In the meantime, if we do not do that we will not have any farmers left. The grains and oilseeds may be the hardest hit today, but that will spread to the other commodity groups. It is only a matter of time.

• (2315)

A Statistics Canada report in August 2000 noted that a look at the month by month statistics since January 1997 shows that total employment in agriculture has plummeted from the fall of 1998. Agriculture employment on the prairies used to hover around the 200,000 mark. An August survey puts that number at 160,000, that is, 40,000 fewer people were working in agriculture on the prairies. That computes, then, to 22,100 farmers.

I do not mind entering this debate, but I am beginning to question why we are here, why we stand on our feet, why we continue to ask the government to deal with a crisis situation, to deal with a major problem in this country, while government members continue to sit over there and do nothing and literally sit on their hands.

We have a huge neighbour to the south that is a very powerful trading partner. It has shown us at every turn of the wheel that it will use a phytosanitary certificate for a non-tariff trade barrier. It continues to do that. It has done it in the Christmas tree industry, my background. It has done it with P.E.I. potatoes time and again. It has done it in other commodities. It has done it in lumber.

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We, as the Parliament of Canada, have to better represent Canadians. We can encourage the government but we cannot force this majority to do something it does not want to do. I think the member for Peace River said it best. The members over there have to decide. The backbench members of the government have to force and lobby their own government and their own Minister of Agriculture and Agri-Food to respond to this crisis. If it is not done, we will see a day in this country where not only will we no longer have the family farm, we will be importing food. That is not a day I look forward to.

**Mr. Loyola Hearn (St. John's West, PC):** Mr. Speaker, perhaps people will wonder why somebody from Newfoundland, mainly known as a fishing area, would want to enter into a debate on agriculture.

There are two reasons. One is the similarity between what is happening now in the agricultural industry and what happened in Newfoundland a few years ago when we had a total collapse of the fishery. Earlier tonight one of the members mentioned that comparison. We once saw a resource where people made a reasonable living, giving and taking over the years. Then, perhaps because of mismanagement, perhaps because of overfishing, perhaps because of climate conditions or migration patterns, or perhaps more realistically because of a combination of all of them, we had a total collapse of the ground fishery.

The government at the time, being a good Tory government, stepped in immediately and helped out in that crisis. Now we see a similar crisis in the west. In comparison, besides the crisis and besides the need for help, there is the effect afterwards. Once the present government moved in and realized the magnitude of the problems, it seemed it was easier to turn control over to the larger corporations, which is what we see happening now in the fishery. The smaller, independent fisherperson is being frozen out of the industry. More and more control is being taken by the bigger players.

What we fail to see sometimes when we look at rural Canada, whether it be a farming area or a fishing area, is that it is the work, the product and the income generated in the rural areas that make our urban areas a success.

• (2320)

Why have our major towns and cities grown so fast? Is it because of the office work, because of the stores that are built there? Yes, but these offices and stores only exist because they serve the needs of many of the people in the rural areas who come into the larger areas for all their needs and services. Consequently, one is dependent on the other.

We also forget quite often to look at the spinoff from the primary industries, from the fishery or the farming industry, not realizing



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that when a farm goes out of business and the farm family is affected and has to go into bankruptcy or move away, a number of other people are also affected by that move.

Listening to the members on the government side speak tonight reminds me of Nero, who fiddled as Rome burned. Each one stood up, many with prepared texts, and talked about all the good things government is doing to assist the agricultural industry.

**Mr. Wayne Easter:** You obviously weren't listening.

**Mr. Loyola Hearn:** I hear my friend from Prince Edward Island say that I was not listening. I was listening very carefully, and I know that the farmers in Prince Edward Island are listening tonight too and still wondering when the federal government will step in and help them, as their own provincial government has done in the present crisis they are facing. They are asking if their help will come before Easter or after Easter. Hopefully it will come very soon. Whether it will be the Easter bunny or not who delivers the help to them, I am sure they certainly will need it.

The farmers in western Canada are listening tonight and wondering where the solutions are. We hear the problems being raised and enunciated on both sides, but we hear the excuses being given about all the government is doing, which is a sign that it intends to do very little to help them in their present crisis.

There are two things we have to look at. One is a long term plan for farming. In my own province of Newfoundland, the farming industry is also basically neglected by governments, both federal and provincial, yet dairy farming is an extremely important, lucrative industry. We do have plenty of land for vegetable farming. We do have people growing specialty crops and doing very well, but very little attention is being paid to the agricultural industry.

If somebody comes in and wants to create a few new jobs with a call centre or some other weird and wonderful idea, governments flock in with all kinds of handouts. The fly-by-nights come in, grab the money, last a few months and then are gone. Yet our own solid industries, our own solid working people who can create all kinds of new jobs in industries like the agricultural industry, get absolutely no encouragement and no help. These things have to change. That is where the long term plan comes in.

However, the immediate plan that is needed right now is immediate action to help farmers who need help today, not tomorrow, not next month or not the month after. They are preparing now for spring planting and if these farmers do not receive help, if they do not receive a cash injection immediately, this coming year is shot. If this year is shot for them, the same thing will happen to farmers in Saskatchewan, Alberta, Manitoba and Ontario that happened to fisherfolk in rural Newfoundland. They

will pack up and leave the rural areas to find work somewhere else. The primary resource, the food producing areas in the country, will die, and we know what happens when food is not produced. More than the areas die. People die also.

I will conclude with words from a song by a great Canadian singer and songwriter, Murray McLauchlan. It is called *The Farmer's Song*. He talks about "these days when everybody's taking so much, somebody's putting back in". The farmer is the one putting back in and perhaps it is time we here in this great establishment recognize that.

• (2325)

**Ms. Sarmite Bulte (Parkdale—High Park, Lib.):** Mr. Speaker, I appreciate having the opportunity this evening to speak to the financial situation facing some of our agricultural producers and our government's response to the hardship that these growers are experiencing. I will be sharing my time with the member of parliament for Essex.

Mr. Speaker, you may ask why a member from a very urban riding in Toronto would want to stand up and speak on this issue this evening. Perhaps even more you might ask what an urban member could possibly know about the situation facing our farmers in Canada.

I would say to the members opposite that in fact my colleagues on the government side have done their job very well, but let me start with the why. I can only use as an example for the why something from a conversation that I had with the member of parliament for Essex, who so eloquently said that when we speak about the quality of life we are also speaking about the quality of the food we eat. That is what is integral to the quality of life. It begins with the food we eat. All of us need to realize that it is not just a rural issue but a national issue, and today I am proud to rise and say it is an issue that is important to the constituents of Parkdale—High Park.

I sat through the debate in which my colleague from the riding of Haldimand—Norfolk—Brant actually provided a very interesting statistic. He said that one in six jobs in Toronto is in the food industry. When I speak of the member for Haldimand—Norfolk—Brant, let me tell the House that I had an opportunity this summer to visit his riding and speak to his constituents about their concerns. I would say to those people if they are listening that they have a wonderful advocate for farming issues, and these are not just farming issues but national issues. He spoke to other colleagues who had come to the riding and we met with these people, listened to them and talked to them.

Let me use as another example my colleague who is the member for Barrie—Simcoe—Bradford. Her riding is perhaps 80% urban and 20% rural, but again she has talked to us and stressed what has

happened to the farmers in her riding with the adverse weather conditions that Ontario farmers have experienced.

When we talk about it and people say that it is just a rural issue and the urban MPs do not care, that is not true. Actually it was last spring that the member of parliament for Toronto—Danforth organized a farm aid concert in downtown Toronto to bring this issue to everyone's attention. He did it to help the farmers and to help our urban colleagues understand just what an important national issue this is.

One of the members opposite this evening also spoke about the member of parliament for Malpeque and said that he hoped the farmers from Prince Edward Island were listening. I hope so too, because I would tell them that they have a passionate advocate who understands their issues and brings them to caucus on a regular basis. I also had an opportunity to meet with his constituents this summer.

Even more so, when I was on the foreign affairs and international trade committee and had the opportunity of chairing the international trade committee in the last session, I travelled with the committee across the country. We listened to farmers. We listened to the Canadian Federation of Agriculture. We listened to the National Farmers Union. It was at that time that I learned that our member for Malpeque was once the president of that National Farmers Union.

It is funny how a city girl can actually not only learn a lot about what is going on with our farms and our farmers but also realize, as the member for Essex said, that it is about the quality of life that affects all of us.

What has been the approach of our government to help these growers who are experiencing these financial difficulties? At the beginning of the debate this evening, the Minister of Agriculture and Agri-Food outlined the government's approach, which has been to stabilize incomes while working on several fronts to encourage long term growth in the industry.

First, we are investing in programs and services that are having a direct impact on the sector's ability to adapt and diversify in today's competitive global economy.

• (2330)

We are investing in innovation, in protecting our environment and in the safety of our food supply. We are investing in promoting trade which is so vital to the agriculture and food industry and to the Canadian economy in general.

I cannot stress enough how all parties across Canada should listen to what farmers and the agricultural federation have to say about what our position should be at the World Trade Organization and also as we negotiate the free trade of the Americas agreement.

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From what I have learned over the last few years, I can only conclude that Canadian agriculture is successful and that current programs work well to stabilize farm income fluctuations for the vast majority of commercial operations. At the same time we recognize that some Canadian farmers are facing serious financial constraints. Low commodity prices, international subsidies and adverse weather have had serious impact upon some of our producers, particularly those in the grains and oilseed sectors who have experienced significant income decline.

We have all listened to the concerns of the farm community and understand the difficulties that some producers are facing due to circumstances well beyond their control. The government has worked with farm organizations and other levels of government to address the situation with financial programs designed to target its assistance to those who need it the most.

As my hon. colleagues are aware, after many months of extensive discussions with the provinces and territories, the Minister of Agriculture and Agri-Food reached a national framework agreement on safety nets for farmers. The agreement, signed by all provincial and territorial ministers last July, provides for a total investment by the federal and provincial governments of up to \$5.5 billion for farm income programs for the year 2000, 2001 and 2002.

The agreement was a significant step forward. For the first time ever, all agriculture ministers across the country agreed on a common integrated approach to our farming safety net programs. One of the most important aspects of the agreement is that it includes an ongoing income disaster program, a feature which the producers had actually called for.

Funding under the national agreement is based on the standard 60:40 federal-provincial cost sharing ratio. Over the three years of the program, the federal government will provide up to \$3.3 billion to fund the most comprehensive safety net packages to date.

I should point out to my hon. colleagues that annual funding for safety nets now committed by the federal government is almost double what it was before the agreement was reached. The commitment of funds allows us to help farmers manage the risk they face from natural events and market fluctuations.

Specifically the government contributes a major portion of the funding for crop insurance and for the net income stabilization account which is a program designed to provide income stabilization to individual producers for long term. Farmers have the opportunity to deposit money each year into their net income stabilization accounts and receive matching government contributions. Farmers can then withdraw money when needed in lower income years.

The Government of Canada has also put in place the spring credit advance program that provides interest free loans for producers to help with the cost of spring planting. The program has been

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very well received by the farm community. An amount of \$356 million in interest free money was delivered in the first year of the program.

There is also the advance payments program. Under the program producers can obtain loans of up to \$250,000 for the storage of eligible commodities, with the federal government paying the interest on the first \$50,000. This allows producers to market their crops when prices may be more favourable while still meeting their short term financial obligations.

As I mentioned, the three year framework agreement with the provinces includes disaster assistance that is targeted to those who need it most. Under the Canadian farm income program, \$2.2 billion in federal-provincial money has been allocated for disaster programming for the 2000, 2001 and 2002 fiscal years. Applications for the 2000 tax year will be available very soon.

We are continuously improving our existing programs and looking at ways to help farmers manage risk. For example, changes were made to the NISA program last year to increase producers' access to their NISA funds. For 1999, thousands of those participants have made withdrawals of more than \$400 million dollars. This program is doing what it was designed to do; stabilizing producers incomes when needed.

• (2335)

In conclusion, I believe that we are going in the right direction. The government with the help of all of my colleagues will continue to work for farmers across Canada to ensure that Canada's agricultural sector continues to be both competitive and strong.

**Ms. Susan Whelan (Essex, Lib.):** Mr. Speaker, I would like to start tonight by reminding everyone about Canadian agriculture and Canadian farmers, a bit of a history lesson perhaps.

First, our farmers farm in Canada under some of the most severe geographic and weather conditions in the world. Over 55% of our food production is produced farther north than any other country in the northern hemisphere.

How did this come about in this land called Canada? I ask the House to think back to the time when the king of France occupied by the European war, when asked about the settlers in New France and what would happen to them, said "Who cares. Let them survive the best way they know. Who wants that land of ice and snow anyhow?"

They did survive and became the most productive part of our society. If all other parts of our society were as productive as our farmers we never would have known inflation as we did. There was no other part of our society that became as productive per person as those engaged in agriculture.

At one time in the early development of our country, Canada, one farm family produced enough for itself and one other family. Now today one farm family produces enough for itself and 160 other families. How do they accomplish this great feat? From the very beginning the governments of the day established display farms, research stations and experimental farms to help the new settlers from all over the world.

Through Agriculture Canada our scientists and our farmers worked together. They developed new short season hardier crops, disease resistant cereal grains, a new variety of soyabean, canola, lentils and the very best genetic breeding programs in the world for our livestock and poultry industries. They learned how to produce fruit and vegetables in short seasons. They developed the best storage systems in the world; controlled atmospheres for apples, oranges, cabbage and carrots. You name it, Mr. Speaker, we stored it.

We developed programs in Canada to help our farmers build this kind of storage. For example, the government paid up to one-third of the cost if three farmers joined together to build a storage facility. British Columbia in time was able to ship the highest quality of apples to over 30 countries in the Pacific Rim area.

Canada took advantage of the international laws to create the Canadian Wheat Board, the Canadian Dairy Commission, the Canadian Egg Marketing Agency, the Canadian Chicken Marketing Agency, the Canadian Turkey Marketing Agency, all of these fair marketing agency systems that allowed good farmers a decent profit for what they produced, as well as providing consumers with a very fair priced product.

Would it not be just great if the energy producers of oil and gas could offer the consumers of their products the same fair priced products today?

When we make a comparison to other parts of the world we must remember the differences. For example, in the United States of America the constitution is different. The federal government in the United States has total authority, 100%. It does not have to deal with 51 ministers of agriculture. The states' secretaries of agriculture are nothing more than agriculture extension services. Imagine the United States of America's secretary of agriculture having to do the same as the Canadian minister of agriculture? Under our constitution it is a shared responsibility, much different and more difficult to administer among rich and poor sectors. For instance, Alberta is oil rich and Manitoba and New Brunswick have very limited resources.

It is nearly impossible to run a fair national program with the status quo. However, I must say that our farmers are victims of their own success, doing what the economists told them to do: "Produce, produce, produce. That's your answer to economic prosperity". For agriculture in an over produced global world it can be economic death.

I would like to read from the Palm Beach *Post* from Sunday, December 24, 2000. It reads:

For somebody who works the hard northern land that was first cut by homesteaders' plows less than a century ago, the big harvest of government checks usually happens in the fall \$40,000 for just being a farmer, another \$40,000 for emergencies like bad market conditions, more than \$100,000 for not making any money on what is grown, and \$50,000 for taking other land out of production.

Good crops or bad, high yields or low, it hardly matters, the checks roll in from the federal government, the biggest payroll in farm country. By the end of the year, some farmers can receive up to \$280,000 simply by having another miserable year of failure.

• (2340)

In eight states, including Montana, government assistance made up 100% of all farm income. This is what is happening in the United States today. This is what is causing the price of grains and oilseed to be depressed so that Canadian farmers who are the most productive, efficient farmers in the world cannot compete fairly.

The government has put programs in place. However, the government also needs to take a look at how we fix those programs to address the grain and oilseed crisis. All the parties have to come to the table, the federal, the provincial government and all the farm commodity groups. We must find a way to help Canadian producers compete. We do not want to be, as the article goes on to say "a ward of the federal government, a slow fading county, a society that is similar to welfare". We do not want our agriculture sector to resemble that. We have to work to ensure that trade laws are changed so that rules are enforced so we can play on a fair playing field.

In the meantime, we need to do something now for our Canadian farmers. Our farmers and our rural communities that are at risk in the grain and oilseed sector need immediate assistance. The government is looking for a solution and working toward a solution, but again we need all the parties to come to the table.

We need to find a way to help our Canadian producers compete. They are part of our society and contribute greatly to our quality of life. We cannot forget the history lesson of how Canada was formed. We cannot forget what they mean to the fabric of our society. We cannot forget how important it is to ensure that Canadians have safe, efficient, good quality and low cost food for all Canadians, whether rich or poor, so that we can ensure that this country stays strong. We do not want to be at the mercy of any other country for our food supply. We must always remember the important history lesson of our Canadian farmers. We must not forget, we shall not forget.

**Mr. Kevin Sorenson (Crowfoot, Canadian Alliance):** Mr. Speaker, it is indeed a privilege to be in the House tonight to speak on behalf of farmers in the west and to speak on behalf a sector that is hurting, a sector that is diminishing and disappearing. We are

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here tonight because we believe that we can make changes. We have not totally given up hope. We believe that there is still a place for the family farm in western Canada and throughout Canada.

I realize, Mr. Speaker, that you are a sporting enthusiast. We may be all having a little difficulty this evening staying awake. It is 12.45 p.m. here and 9.45 p.m. in Alberta.

As a new member of parliament, I have already given my response to the throne speech. Tomorrow I will give a speech with regard to the young offenders legislation. I was not aware that I was going to give a speech on agriculture tonight, but I was told that if I waited until midnight I might find a opening. I am glad I did.

This little illustration I am about to tell the House is about a football game in 1929. California was leading Georgia Tech by a score of seven to two. The quarterback went up to the line and shouted for the ball. When the centre passed the ball to the quarterback he turned and handed the ball to a running back by the name of Roy Regals. Roy Regals took the ball, ran into the line and bumped up against his tackles and his guards and got turned around. He started running one way. Then he started running another way. Pretty soon he found himself running in the wrong direction. As he ran the wrong way the crowd hollered "no, no, no" but Roy thought they were hollering "go, go, go". He continued to run in the wrong direction.

California had a player by the name of Benny Lam. Benny Lam took after the running back and he tried to run him down. He caught him at the five yard line. He explained to his running back that he was running in the wrong direction. Georgia Tech tried to kick the ball from its end zone and get out of trouble. When they kicked it, it was blocked. The opposing team fell on it and won the football game.

• (2345)

I believe we have a government very similar to the player who was running in the wrong direction, putting out all the effort to get a job done and working hard to see that agriculture and many other sectors that are in dire straits get help. However the government is running in the wrong direction.

We have stood for years and decades in the House to tell the government that there were troubles coming in the agricultural sector which needed to be addressed. They put it on hold. Everything was continually put on hold.

This past fall we travelled throughout the constituency of Crowfoot, a constituency that is dependent on agriculture and whose lifeblood is agriculture. We saw communities that are dependent on farming, grain and cattle. We were told that they would not make it.



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I have travelled through many small towns in this past election campaign and found many more doors locked on main street than opened. When we talk to businessmen, whether in Drumheller, Stetler, Hannah, Camrose or Killum, they say that if we want to help their businesses we should help the farmers. If we want to keep the businesses alive, it will not come in any other way than by helping the agricultural sector.

We have looked at ways of helping agriculture. Government members looked at ways of helping agriculture. They were heading in the wrong direction. They came up with the AIDA program. They promised billions of dollars to farmers. They promised that there would be money coming and then gave us a paperwork nightmare. The other ones having nightmares are the accountants because they are the only ones who can fill out the forms. More farmers end up paying a higher accounting bill than they get in return from the government. We need to change the direction in which we are headed.

We have talked about the concerns of transportation. I am a farmer. I have farmed for 25 years. Farming is the only business which pays the end price for every purchase made. Farmers pay a retail price on everything they buy. Everything they sell is sold at a wholesale price. They also pay the freight both ways when they sell it. Before they sell any grain they pay for the freight when it leaves the farm gate. When they buy sprays and cover their input costs, they pay the final cost, which includes all those things.

We have talked about tax reform. Many of our members won the election on our stand on tax reform. One of our directors, a gentleman from Czar, Alberta, went to the United States and toured a John Deere factory. He spoke one evening with the president of John Deere. He told the president the problem with a lot of the equipment and machinery manufacturers was that they did not make equipment for the smaller farmer, the farmer who is looking for a \$40,000 tractor.

He was told that when the iron comes out of the smelter and rolls out it is taxed. It goes to the next level and is taxed again. If all levels of accumulative taxes were removed from a \$100,000 tractor, we would end up with a \$40,000 tractor. The level of taxation on all input costs is too high.

The family farm is disappearing. I want to mention a true story about what happened during the election. I knocked on the door of farmhouse, walked in and went to the kitchen table. The farmer sat down with me and told me that he would not make it. He was 72 years old and he had no hope. In past years he had a glimmer of hope. He thought there would be hope, but he saw no hope coming from the government or anyone.

• (2350)

As he sat there he told me that he spent two hours on the Sunday previous looking for a .22 shell. He said that there was no hope for

him. When I left that farmhouse, he was sitting, weeping at the table.

The only time I have ever stolen anything in my life is when I left the farmhouse that day. I went to his gun rack on the porch, took the rifle and put it in my pickup. It is a true story. It simply illustrates the degree of hopelessness people are feeling out there.

I have received phone calls and letters from people in my riding. I have had individuals sitting in my office, breaking down and weeping. A 58 year old farmer from Edgerton told me that on the night previous his 26 year old son who has one young child had come in to his home and had told him "Dad, I am leaving. Why would I stay?" This individual had most of his land finally paid for. He was looking forward to his son taking over the farm. We are losing a generation from the farm and they will not come back.

What do we want farms to look like in 10 years? What do we want western Canada to look like in 10 years? My communities are dependent on the family farm. We are begging the government to listen. The Prime Minister stood in the House the other day and said that he would go to the United States and encourage President Bush to drop the subsidy.

We need help and we need it now in the agricultural sector in western Canada. We need help from a government that will say that we will not simply ask Mr. Bush but will lobby governments in Europe, in the United States and throughout the world, our competitors. We want our farmers on a level playing field with farmers around the world.

There are too many stories out there about people who have lost hope. Twenty-two thousand farmers over the last year have packed their bags and said that they were going somewhere to find a job. They were going to learn about computers so that they could work in the city somewhere, which our government is encouraging them to do.

The family farm is disappearing. What will it look like in 10 years? I have no idea. I do realize that just as in the 1930s in Alberta and throughout western Canada populist movements came along and people found hope. People are looking to the government today for hope. They are looking to each side for hope. Let us hope and pray that we come up with some long term solutions soon and a quick influx of cash before spring work.

**Mr. Grant McNally (Dewdney—Alouette, Canadian Alliance):** Mr. Speaker, I consider it a privilege to be able to end the debate this evening. I thank you, Mr. Speaker, for entertaining the application for the emergency debate. I think that we have made points on all sides of the House tonight on why it is a very important topic. I will reflect for a moment on the speech my colleague from Crowfoot just gave. What he has done is he has given us a human context for this issue.

We can come to this place and debate numbers, failed programs and subsidies that are in place in certain jurisdictions and not in others, and then leave at the end of the night. We will have done our part somewhat in raising these issues, but the fact of the matter is that when we leave this place tonight people across the country will still be in dire straits because of the farm income crisis my colleague and others have mentioned. We need to do something immediately.

The government provided relief with the AIDA program, but we know that has not completely solved the problem, partly because of the administrative quagmire that has ensued where the money has not gone to the people who have needed it. We have heard from individuals, from our own members today who represent the constituents across the country, that it needs to be fixed and needs to be fixed now. We need to get those dollars to the people who need them so that they can put their crops in this year.

• (2355 )

My riding is one that is an urban-rural riding. I consider myself a city boy. I spent most of my life in the city, but had the opportunity to spend many of my summers as a young man on my uncle's farm in Killarney, Manitoba, and to see firsthand what it was like to live on a farm and what hard work went into the production of foodstuffs in our country.

We have a network of people across this country that puts food on the table for all Canadians. We need to keep that in mind, no matter what region we may come from or what demographic we might associate ourselves with. We need to put the help out there riding now.

I would like to correct a couple of comments that I heard from my colleague across the way who has been here and listening to the debate. The member for Malpeque mentioned that the Alliance does not support supply management. Nothing could be further from the truth.

I have many dairy farmers in my own riding, in Agassiz. We have a research station in Agassiz that does good work and we have producers who work very hard. This is an issue that touches us from coast to coast.

We have heard passionate speeches tonight as to why the government needs to move ahead in terms of foreign subsidies, which other nations are providing to their farmers. Our government seems to have moved in a unilateral disarmament way in relation to subsidies. We need immediate action on that.

We have asked for implementation of measures that would help with input costs, such as reducing fuel taxes and many other

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measures. As my colleague for Crowfoot so eloquently explained, our farmers are paying the retail price for production. They are putting in the input costs themselves, such as the high cost of transportation, and getting wholesale prices.

We know there are solutions out there. One of our colleagues from the government side said that we need to find a way to help our farmers compete. There are ideas. They are here before us. They have been laid out in debate this evening. We are asking that the government take the ideas that are there and put them in place and do it now. It is only when we take the actions necessary to back up our words that we show with our deeds we are serious about what we say in the House.

Opposition members and government members, we need to move ahead co-operatively. This is not a partisan issue, as we are all aware. We perhaps have different ideas about how to get to the solution, but we know that there are people in need tonight in our country. They are the producers, our farmers and their families, who may not be putting in a crop again, who face personal loss, and not only of their jobs. It is more than a job. It is a way of life for so many and I think all of us have been touched by those who have lived that life.

It is for that very reason that as we leave this place tonight we need to put action to our words. I implore my colleagues on the government side to use whatever influence they may have with the ministers and with those who have the opportunity to move ahead on regulatory changes, input taxes and the foreign subsidies that have been mentioned. I implore them to move ahead on those things and do what they can. People across the country are waiting for that and looking for leadership from this place.

Tonight's debate has been a great opportunity. I hope the importance of this issue is not lost on any of us. It is my sincere hope and wish, as I think it is the wish of all members, that as we leave this place tonight we do not just compartmentalize this debate, put it on the shelf and say that we did our job. It is my sincere hope and wish that we move forward on the initiatives that have been suggested and look for real solutions to help real people who are in dire straits tonight across our country.

[*Translation*]

**The Deputy Speaker:** It being midnight, I declare the motion carried.

The House therefore stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24.

(The House adjourned at 12 a.m.)



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