

Adjournment Debate

fact, they built up their superiority through private sector financing.

Today, some people adhere to the principle that an investment project cannot succeed without a direct financial contribution from the Federal Government. However, this Government's confidence in the private sector is too great to subscribe to such a concept.

Mr. Speaker, if we get into the specifics of the Domtar case, the project in question is supposed to triple the production capacity for fine paper at the Windsor plant in Quebec. Basically, Domtar intends to instal integrated facilities to replace its obsolete plant, a project that will greatly enhance its competitive position on Canadian and international markets.

Domtar is one of Canada's seven fine paper producers and one of three producers established in Quebec. However, there is a very real danger that its expansion project will aggravate market problems within the industry and lead to overproduction of fine paper in Canada.

I agree the industry expects to fight competition on the market, and it is prepared to deal with that. But if the Government intervenes, this tends to change the rules of the game. Through its various enterprises, associations and the forestry industry's advisory committee, the industry made it clear to the Minister of Regional Industrial Expansion that it was opposed to any direct assistance with a view to increasing capacity, if such assistance threatened to distort the market situation.

Mr. Speaker, according to the rules of the Regional Industrial Development Program, the Government must consider the repercussions its assistance may have on other members of the industry.

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the Parliamentary Secretary but her time has expired.

[English]

AGRICULTURE—POTATO INSPECTION FEES. (B) REQUEST FOR POSTPONEMENT

Mr. George Henderson (Egmont): Mr. Speaker, I am glad to have the opportunity this evening to discuss further the implications of the inspection fees as they relate to farm products, specifically potatoes, as a result of the economic statement by the Minister of Finance (Mr. Wilson) last fall.

● (1810)

For the past few months Canadian farmers have been made aware of just how severe the federal cut-backs will be. They will be asked to pay an exorbitant fee for inspections. Also they will be hit with fees for services such as agricultural input quality insurance and records of livestock performance. When the Minister of Finance brought down his statement last fall, I do not think they realized exactly what it would do to them. Now they know they are being asked to pay not only a heavy

inspection fee but virtually the full cost recovery of those programs.

Last month I received a copy of a letter which was sent by the Deputy Minister of Agriculture to the P.E.I. Potato Marketing Board and the P.E.I. Potato Producers Association. I will not read the entire letter to the House, but I will outline briefly what it indicated to potato farmers of Prince Edward Island and New Brunswick, in fact potato farmers across the country. It probably affects the farmers of P.E.I. the most, followed by the farmers of New Brunswick. He indicated in the letter that fees were to be charged for the services provided by the Food Production and Inspection Branch of Agriculture Canada for the inspection of table stock potatoes and for seed inspection. Of course this affects all potato producers. The charges were to go into effect on April 1, 1985. However, the Minister indicated in the House and at a general meeting and banquet the other night of the Horticultural Council of Canada that they would not affect this crop year, the 1984-85 crop year.

The charges outlined are very dramatic—33 cents per hundredweight for inspection or certification of table stock potatoes; \$130 for registration or licence fees for shippers; for seed stock the charges are to be \$25 per hectare for field inspection and seven cents per 50 kilograms for tuber inspection.

A problem is created in that many potato producers, certainly in the Province of Prince Edward Island, grow about 65 to 70 per cent of their potatoes as seed potatoes, because their main market is the shipment of seed potatoes offshore. In times when the market situation offshore is not good, those same seed potatoes go into what we call table stock potatoes. They are shipped either within Canada, to Toronto, Montreal and other destinations, or to destinations in the United States. Thus there could also be a double charge.

If the Government goes ahead with the announced inspection fees, every farmer in Prince Edward Island who grows roughly 200 acres of potatoes will be faced with a cost of \$13,000, and that is a minimum. That is a lot of money to an industry which is selling its product in the market-place today at between 1.5 cents and 2 cents per pound below the cost of production. The farmers of Prince Edward Island and New Brunswick will be devastated by those costs. They cannot absorb them.

● (1815)

The farmers of this country would like a clarification from the Department of Agriculture as to what is going to take place. For many years, I have believed that inspection fees should be borne by the consumer, not by the producer because inspection fees are a protection for the consumer. My friend from Kamloops-Shuswap (Mr. Riis) agreed with that statement the other day.

This Government is looking blindly at our agricultural industry, as it is looking blindly at our fishing industry. The other night the Minister made a statement to the horticultural society saying that they inherited a tremendous deficit. The