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PRIME MINISTER'S MEDIA AVAILABILITY AFTER
ANNOUNCEMENT IN SASKATOON

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DIMITRI SOUDAS (Prime Minister's Press Secretary): Ok, so the first question would be to Linda Walker, Global Television.

REPORTER: Prime Minister...

DIMITRI SOUDAS: If you could just get closer to the microphone.

RT. HON. STEPHEN HARPER: Just a second, we'll just get the microphone to you.

REPORTER: Oh sure, bring the mic. We're not used to it being so technologically advanced at these.

RT. HON. STEPHEN HARPER: Well, they insist...the powers that be in Ottawa insist that I have anything recorded, and I guess...

REPORTER: Fair enough.

RT. HON. STEPHEN HARPER: I don't know if it's the Nixon syndrome or what it is, but anyway.

REPORTER: If tapes start getting erased, let us know.

RT. HON. STEPHEN HARPER: Yeah.

REPORTER: Sir, I'm wondering in terms of the negotiations with provinces and territories, I'm wondering what kind of a split you're looking at in terms of the commitments from the provinces to pay into this announcement today as well. Are we looking 60-40 or...?

RT. HON. STEPHEN HARPER: Sure, well, if I can just be clear, and Chuck can correct me if I'm wrong; the permanent accounts that we want

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to set up this coming year, we would be looking at a 60-40 cost share. We're not asking the provinces to contribute to the immediate infusion on cost of production, to deal with cost of production pressures, so we would be looking at 60-40, obviously on the three-fifths of the money, and the money going forward. The Minister and our officials have spoken with the provinces in the last 24 hours, and we've received reasonably positive feedback.

DIMITRI SOUDAS: Nous allons continuer avec Julien Thibeault, Radio-Canada télé.

JOURNALISTE: Oui, je suis ici. C'est une question en français. Vous avez dit que vous devriez avoir l'appui des autres parties – je suis ici, caché en arrière. Est-ce que ça veut dire qu'il devra...que ça doit faire partie de ce qui sera présenté dans le prochain budget, ça?

TR. HON. STEPHEN HARPER: Ces annonces aujourd'hui seront dans le budget en dix jours. Le montant pour le paiement immédiat sera dans l'année passée, dans cette année, 2006-2007. Il est essentiel d'adopter le budget pour assurer ces fonds pour l'avenir. Ces fonds évidemment seront dans des années qui vont suivre, et...mais en même temps, nous avons besoin de l'adoption du budget pour assurer ce programme pour des agriculteurs. C'est une autre raison pour lesquelles les partis de l'opposition devraient supporter notre budget.

DIMITRI SOUDAS: We'll continue with Mark (inaudible) CTV. Just right here in the microphone.

REPOTER: Prime Minister, I guess I'm wondering why you're choosing to announce these improvements to agriculture now instead of on budget day.

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RT. HON. STEPHEN HARPER: Well, it's a combination of thing. Some of the money, as I just said in French, some of the money is actually going to be contained in this fiscal year just being completed. The first \$400 million will be in the year '06-'07 because we do have extra money at the end of this year, so that's why we're announcing some of the funds previous to the budget. Obviously the rest of the program will be rolled out in the coming in subsequent fiscal years. Look, I guess the short answer is we look for opportunities to make announcements on different policies around the country, rather than jam them all into budget time.

DIMITRI SOUDAS: Nous continuons avec Julien Lafille, Radio-Canada radio.

JOURNALISTE: Bonjour. Je voudrais savoir pourquoi cette annonce maintenant; est-ce que vous en profitez pour courtiser les fermiers avec l'odeur d'élections à Ottawa?

TR. HON. STEPHEN HARPER: J'ai dit que, je viens de dire que le premier 400 millions \$ seront des fonds de cette année, de cette année qui est en train d'être réalisée, et c'est essentiel d'annoncer ces choses avant le budget. Évidemment nous aurons, nous aurons beaucoup d'annonces dans le budget, et c'est essentiel à mon avis, de faire l'emphase sur l'agriculture. Je peux dire que, et évidemment, mais je...je regarde comme très important mes amis du Tribune de presse à Ottawa, mais je peux dire que le Tribune de presse à Ottawa ne fait beaucoup d'attention sur des annonces agricoles, et je voudrais assurer que la population ici au Saskatchewan et dans l'Ouest en particulier est informée de nos politiques agricoles.

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And let me just say that again in English. (LAUGHTER)
Which is that why announce it now? Obviously as I said, some of the money is out of this fiscal year that's just been completed, but you know, I do say this: as much as I value my friends in the Press Gallery in Ottawa, they don't always pay a lot of attention to agricultural policy and we're kind of determined this won't just get buried as yet another budget announcement. We want to make sure that farmers across the country, particularly in the west, are aware of the things we're doing for agriculture. (APPLAUSE)

DIMITRI SOUDAS: We'll continue with Randy Burton, Star Phoenix.

REPORTER: Mr. Prime Minister, as you're aware, the provincial government here has been lobbying for a better deal on national equalization program for some months. They're looking for you to honour your pledge to exclude non-renewable natural resources. Can you give us a heads up on what you intend to do on the budget, and if you're going to do that, will there be a cap on it?

RT. HON. STEPHEN HARPER: We'll be announcing policies with regard to fiscal balance in the budget. These will be a series of policies to establish predictable, principled long-term transfer arrangements between the federal government, the provinces and other levels of government. I'm confident that we will fulfill our commitment and that Saskatchewan will be a big winner. Whether it will be enough for the NDP is another question, but I'm confident it will be a great story for Saskatchewan that our Saskatchewan MPs will be willing to take to the people if indeed it turns out they have to do that. (APPLAUSE)

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I think I could just mention as well, while I'm at it, you know, because I see the Saskatchewan government throwing around numbers. I was just informed by my officials today that in this, since this government took office, you know, we've made announcements on infrastructure and other arrangements with the provincial government that have totalled some \$600 million. We've slashed taxes the first year to residents of Saskatchewan by \$250 million. So Saskatchewan, like all provinces, is already benefiting from the new Conservative government. (APPLAUSE)

DIMITRI SOUDAS: Rosalie Wolosky, CBC Radio.

REPORTER: Hello. I notice here that there are no details on this announcement...

RT. HON. STEPHEN HARPER: (Inaudible) there you are. Yeah.

REPORTER: And I would like to know, especially with the \$400 in direct payments to cover...

RT. HON. STEPHEN HARPER: \$400 million.

REPORTER: \$400 million, yes. To cover costs of production costs, what are the details? Like, who's going to qualify, how will they qualify, what's the criteria going to be?

RT. HON. STEPHEN HARPER: The Minister can inform you about all of that. We'll be looking at eligible net sales, so it will cover non-supply managed commodities and basically farmers that have been in business for the last three or four years. It'd be a special application process for farmers that have entered the business recently. But he can give you much more detail.

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REPORTER: Ask a supplementary to that...

DIMITRI SOUDAS: (Inaudible) if you don't mind, we'll have to continue with the other reporters who also are here. Jeff Lisle, CBC Television.

REPORTER: Hi Mr. Prime Minister, I'm wondering if you can explain, I guess, what does this savings account program mean for the average farmer, if you can break it down to what does this program mean for the average farmer, and how will qualification for...I understand there may be some more detail later, but if you can at least give us as much as you can in (inaudible).

RT. HON. STEPHEN HARPER: Well, he'll, the Minister can give you a fair bit of detail. What this really does is fulfill our commitment. It's another step in fulfilling our commitment to move away from CAIS towards a program that goes beyond merely margin-based program. What it does by setting up savings accounts along the lines of the old (inaudible) program, but with some important differences. It establishes a cost of production element to the farm income stabilisation set of programs. This will obviously result in some protection for farmers, as...if and when costs rise quicker than commodity prices, which we've seen a lot of in the past 15 years. It'll provide some annual payouts. It will also provide a bankable program for farmers that they can turn to when things are a little tougher on the margins.

DIMITRI SOUDAS: Tim Mamey, News Talk 650.

REPORTER: Right here. Hi Mr. Prime Minister, your last two announcements in Ontario and Alberta respectively, you had Premiers McGuinty and Stelmach beside you. Why is Premier Calvert not here today? (LAUGHTER)

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RT. HON. STEPHEN HARPER: Well, obviously today, today I'm announcing, this is not a Canada-Saskatchewan announcement, this is a national program we're announcing today that will apply right across the country, so it's not an announcement with the government of Saskatchewan. But let me say this, that, you know, we have some important discussions going on with all of the provinces, in Alberta, in Ontario, in Quebec. I announced our government's contribution to joint programs with those provinces on Eco-Trust. Would love to have, to be able to myself or one of our ministers, to have an announcement with the government of Saskatchewan on Eco-Trust. That hasn't come together yet. Likewise, our ministers are negotiating with the government of Saskatchewan and other provinces on an important announcement on patient wait times guarantee. A number of provinces are ready to proceed with that announcement. The government of Saskatchewan is not, so these are two important things I think for the people of Saskatchewan, funds for Eco-Trust, funds to encourage reduction of air pollution, greenhouse gas emissions, and funds to encourage the development of patient wait times guarantees. Most of the provinces have signed on or are ready to sign on for these. The government of Saskatchewan isn't. I would encourage the government of Saskatchewan to sign. I would encourage the government of Saskatchewan to move forward. I know the government of Saskatchewan's not a supporter of our party federally, but I don't think partisan politics should stand in the way of making a good deal for the people of Saskatchewan, so I'd encourage them to do so. (APPLAUSE) Right Carol? (LAUGHTER)

UNIDENTIFIED: That's right, Mr. Prime Minister.

DIMITRI SOUDAS: We'll continue with Steve Pasquillado, CBC.

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REPORTER: Mr. Prime Minister, you said that you would be...just a follow-up to the equalization question. You said you'd be living up to the promises. Does that mean that the new formula will exclude natural resources?

RT. HON. STEPHEN HARPER: Well, I say, I'm not going to discuss the details of the budget, the fiscal balance announcements in the budget. I think we have a good package for all of the provinces. The government has had to make some tough decisions and I think we've made the right decisions. I think our members will have no trouble promoting those new policies in Saskatchewan and elsewhere, but I'm not going to get into the details of equalization formulas today.

DIMITRI SOUDAS: Jason Warwick, Star Phoenix.

REPORTER: Sorry. Mr. Prime Minister, are you saying then that the Saskatchewan government hasn't signed on to some of these initiatives out of politics?

RT. HON. STEPHEN HARPER: I don't know. All I can say is we haven't yet been able to close the deal on, as you know, on Eco-Trust. We've been able to close the deal with most of the provinces now. I've announced several of these agreements myself, and on patient wait times guarantees, we're moving to close deals rapidly with a large number of the provinces, so I would just encourage the government of Saskatchewan to move forward on these two important issues.

DIMITRI SOUDAS: And we have time for one last question, Mark (inaudible), CTV, right over here if it's possible? Right over here.

REPORTER: This for my colleague in Ottawa, what is your government going to do to try and fix the problems right now at the Canada Revenue Agency, people not being able to file their taxes and that sort of thing? It's been five days and it's still broken down.

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RT. HON. STEPHEN HARPER: Yeah, it's a very serious problem. Has to do with some...it's an internal problem to do with some internal computer work. All I can say is we're obviously, myself and I know the Minister, we're on the backs of the department to get on with fixing this problem as soon as possible. This is a major administrative problem. It's going to be a few days until it is fixed, but we're confident at this point that it can be fixed in a way that will not disrupt the deadlines for tax filing. So all I can say is the problem's serious. It is of great concern to us, but I'm certainly assured by my top officials that they understand the seriousness with which the government views the problem and that they are working around the clock to get it resolved.

DIMITRI SOUDAS: Thank you very much...

REPORTER: (Inaudible)

RT. HON. STEPHEN HARPER: I don't believe so.

DIMITRI SOUDAS: Thank you very much. We'll have to... this brings...this brings...this brings a close to the press conference, so we'll thank you very much for...

RT. HON. STEPHEN HARPER: (Inaudible) name on the list.

UNIDENTIFIED: Well done, thank you, sir.

UNIDENTIFIED: Thank you sir.

RT. HON. STEPHEN HARPER: Thank you.

DIMITRI SOUDAS: And also if it's...I would also ask everybody to remain seated for just a few minutes. The Prime Minister will be taking a few pictures, so if everybody can remain seated, thank you very much. And Minister Strahl will be taking some of the media questions after this.

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