

Government Orders

There are \$7 in expenditure reductions for every \$1 in new tax revenues. There will be a three year savings of \$29 billion, \$25.3 billion of these from these expenditure cuts.

It is quite clear the government has followed its promises both in the red book and in the speech from the throne. It is quite clear the Minister of Finance listened, as did his cabinet colleagues. They listened to Canadians and they acted upon the consultations.

It is quite clear the Prime Minister and the Government of Canada stand together in supporting a smaller and more efficient government but also a government that will remain fair, true to its roots and true to its history.

I am delighted that I can stand and say without reservation that I think the majority of Canadians support Bill C-73, an act to provide borrowing authority for the fiscal year beginning April 1, 1995. They know their government is working for Canadians and will continue to do so.

These times are not easy. They are not easy for civil servants. They are not easy for workers across this country. They are not easy even perhaps for members of Parliament. But Canada is a country with a huge and tremendous and glowing future provided that we have good stewardship. It is my belief that this government, this Prime Minister, this Minister of Finance and this cabinet provide this kind of stewardship.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, today I will deal with three aspects of the 1995 Liberal budget and Bill C-76, an act to implement certain provisions of the budget.

First, I will outline the cuts in agriculture spending and make some general comments on the cuts. Second, I will ask some questions on behalf of Canadian farmers about what will follow the WGTA. These questions and many others have been asked over the months since this budget was tabled in the House. Third, I will discuss how the shortcomings in the overall budget might affect farmers and the agri-food industry.

First, how do the cuts in agriculture spending compare to the cuts in other sectors of federal government spending? How do the cuts on payments to farmers compare to cuts in operating costs of the department itself?

• (1220)

Farmers have obviously been asked to shoulder an unfair portion of the spending cuts in this budget. I am not saying the cuts should have been the same percentage in all areas of government spending, but by any measure, agriculture was hit disproportionately hard. Had cuts been made in other sectors in a fair way, this would have produced a balanced budget and all the positives that go along with a balanced budget. To illustrate this point, I will give a brief summary of the cuts in agriculture spending.

In the agriculture department overall spending was cut by about 20 per cent. Total funds available for 1994-95 are \$2.1 billion. There was a \$445 million cut in spending in this budget to the agriculture department. These cuts came in safety net funding, subsidies to dairy farmers, research, and user pay fees for inspections and those types of things. As well, there were some cuts in the department itself.

There are also cuts in agriculture from the transport department. The Crow rate, \$560 million a year, was the largest single cut to farmers and is effective July 31, 1995. The Atlantic Feed Freight Assistance Act and the Maritime Freight Rates Act will be eliminated by July 31, 1995. The cost for this subsidy was \$99 million a year.

To summarize, the total cuts in agriculture spending from the transport department are approximately \$660 million a year by the end of the third year. Total cuts to agriculture spending from the agriculture department itself are \$445 million per year. Total cuts to agriculture spending in this year's budget are approximately \$1.1 billion. By any measure, this is disproportionately weighted toward agriculture.

When the cuts in agriculture spending from transport and the agriculture department are combined, the reduced spending to farmers is 40 per cent in this budget. There is almost 50 per cent in cuts in payments when payments to the railways and direct payments to farmers are included.

How do the cuts to farmers outlined in this budget compare to the cuts in the operations of the agriculture department? The cuts in the agriculture department were 20 per cent compared to almost 50 per cent in cuts in the direct payments to farmers and the railways on the farmers' behalf. There is no balance when comparing those cuts.

I am not saying these cuts should not have been made. Rather, there should have been more balance across all sectors of government spending when compared to spending on the operations of the department itself. Later I will talk about the negative effects of the government not going far enough in this budget.

Farmers also needed a transition time to adjust to these cuts. For example, Reform proposed a trade distortion adjustment program nearly five years ago. This would have provided a gradual phase out of the WGTA benefit, putting the payment immediately to farmers so they could provide for the loss in the WGTA payment as was needed. It would have also provided for a fund to compensate farmers against unfair trade practices in other countries.

This transition time was desperately needed by farmers so farmers would have time to make the necessary changes in order to recoup the losses suffered as a result of this budget. Not only is there no transition time, but there are not enough substantial changes to allow farmers and agribusiness to become more efficient.