

Supply

budget, a 30 per cent reduction over two years of the federal subsidy for industrial milk. Since Quebec farmers alone produce 48 per cent of the industrial milk quota, it is obvious that they are the ones who are the most unfairly affected.

Mr. Speaker, I do not want to use props, but there is in Ontario a farming magazine called *Farm and Country*. It is the equivalent of Quebec's *La Terre de chez nous*. Every farmer at least flips through it from cover to cover, if they do not actually read all of it. This week, there is a cartoon on the front page, showing a beautiful Holstein cow and, sitting on a small stool, a farmer who bears a striking likeness to our finance minister. He is milking the cow. His pail is empty. The teat is full of scars. When he squeezes it, all he gets is one lonely drop of milk. This is the kind of future this government is shaping for dairy producers.

Also, last week, Mr. Laurent Pellerin, president of UPA and a great advocate of Quebec farmers, whom I salute today in this House, estimated that the 30 per cent reduction in industrial milk subsidies will cost producers \$4,485 over two years. If you allow me, I will take a few seconds to explain how he reached this figure. I would like the agriculture minister to listen very carefully because there is something I want to point out.

• (1030)

Dairy farmers will not receive any financial compensation for these cuts, unlike western wheat and grain producers, who will receive \$1.6 billion in non-taxable funds, which is the equivalent of \$2.2 billion. But there is absolutely nothing for Quebec and Ontario.

A farmer who produces 2,500 hectolitres of milk per year and who buys 71 tonnes of mash every year to feed his cows will be hurt because, as you know, the feed grain transportation subsidies have also been cut in the East. The Maritimes will be hit hard. The subsidy on 2,500 hectolitres has been cut by \$5.43 per hectolitre times 2,500, or \$5.43 less 30 per cent or \$1.51.

Dairy farmers face cuts of 15 per cent this year and 15 per cent next year for a total of 30 per cent for every hectolitre produced. Next year, they will lose \$1.51 per hectolitre. A farmer producing 2,500 hectolitres per year faces a \$3,775 cut.

To this must be added the cuts to the feed grain transportation subsidies. The resulting increase for farmers is estimated at \$10 per tonne. Farmers will be asked to do their share to correct the past mistakes of successive federal governments that accumulated huge deficits. A farmer buying 71 tonnes at \$10 per tonne would add \$710 to the \$3,775 cut and end up with a \$4,485 contribution to deficit reduction.

As you know full well, what will happen in August is that dairy producers will ask the Canadian Dairy Commission to increase milk prices, and I hope that their request will be granted. Dairy producers are not stupid. They do not have to suffer such a major drop in income. The Canadian Dairy

Commission will allow them to raise their prices, I hope, to compensate for cost of living increases and the losses incurred.

As a result, consumers will pay much more for powdered milk, butter, cheese, yogurt and ice cream. This is called hidden taxes. *Farm and Country*, the Ontario magazine I referred to earlier, estimates that every dairy farmer contributes \$56 per cow to deficit reduction.

Surprisingly enough, not a single Liberal member rose in this House to denounce the 328,000 flights. As we read in the newspaper last week, these trips cost nearly \$1 billion in travel expenses. I have the newspaper article in front of me: the 328,000 flights taken between April 1993 and March 1994 cost taxpayers \$275 million so that Canadian Forces members and senior officials, in particular officials at the Department of Transport, could travel.

In closing, I urge dairy farmers in Ontario and Quebec to look out for the ordeal that this government will inflict on them in the next 24 months.

• (1035)

[English]

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I am very glad to have the opportunity to participate in this discussion about the 1995 federal budget, particularly the impact of that budget upon agriculture and agri-food.

It goes without saying that I profoundly disagree with the conclusions that have been drawn so far in this debate by the member for Frontenac. I would suggest that his analysis is incomplete, entirely negative in its focus and, with the greatest respect, his analysis is wrong.

To support what are clearly his separatist objectives he seeks to sow the seeds of division in a narrow and partisan manner. He seeks to pit region against region, province against province and farmers against farmers. It is indeed sad to see this rather destructive approach, but coming from the Bloc Québécois it is no surprise. Their objective is not to build this country up; their objective is to tear this country down. So I am not surprised by the motion today from the BQ.

What is perhaps surprising is the similarity in approach that is taken by the BQ and the NDP. Two weeks ago the NDP and the Bloc Québécois joined together in a rather bizarre alliance in this House to block speedy passage of vital government legislation to restore services in the Canadian railway system. Until they recanted and belatedly changed their position, the NDP lent aid and comfort to the Bloc Québécois in inflicting totally unnecessary damage upon the entire Canadian economy, particularly upon agriculture.

The work stoppage in the rail system could have been ended and full service could have been restored within perhaps no more than 48 hours. However, the Bloc made that impossible