

Supply

Another thing that was not provided for that is extremely important is legislation that will prevent work stoppages in the area of grain handling and transportation. I have seen a lot of fingers pointed, even this morning, on this issue. I saw the agriculture minister point a finger at the Bloc and the NDP saying that they are responsible for the stoppage in the rail system.

I see it a little differently. I recognize that the Bloc and the NDP did stall the back to work legislation. It is beyond me to understand why. I do not understand why. They should not have, but they did. Let us take another step back from this. If the Liberals had done their job, we would never have had a stoppage in the grain handling and transportation system.

Since the debate that ended the lockout of grain handlers last February, Reform has called—and I personally have called—for legislation which would end the stoppages in the grain handling and transportation system. That is more than one year ago.

Over that year, again and again Reformers said not to let stoppages occur. It was evident there would be stoppages this year. There was no contract in place for several groups, unions and management, including rail transportation. No contract was signed. It was predictable there would be a stoppage.

When the Liberals blame the Bloc and NDP for the stoppage, they are only really telling half the truth. The other half of the truth is that the Liberals could have prevented this. Reform pushed them to prevent it and they just ignored our pressure. I encourage Canadians to recognize where the blame for this disruption really should lie.

I would like to talk now about how payments provided for in the budget will be made to the WGTA, dairy, et cetera. First, the \$1.6 billion compensation package seems to be the area the Bloc has targeted in its motion. Its members feel that is unfair. The farmers had the Crow benefit, which became the WGTA benefit, which subsidized rail freight to port position. It has been around for almost 100 years. At times the subsidy has actually been \$900 million a year. It is an incredibly large subsidy. Recently that has been reduced to approximately \$550 million a year, based on last year. The compensation payment is \$1.6 billion.

• (1125)

Look at the way the compensation payment will be distributed. The phase out will only be available to farmers who own land, not those who are renting or leasing land. In essence, this provides a very short transition period for farmers who depend on this subsidy. Farmers will shoulder an immense extra cost for transporting grain to terminal positions as a result of the phase out.

Also provided is a \$300 million transition fund. This is in place to help farmers deal with the termination of the subsidy. We do not know how the money will be spent and the uncertainty is very difficult for farmers to accept. It will be difficult not just for grain farmers, but alfalfa producers and processors that also used the subsidy.

Feed freight assistance will be eliminated entirely. The date was set back recently from that initially announced in the budget. Three hundred and twenty-six million dollars are available for an adjustment program regarding feed freight assistance. The compensation package will be available for farmers in the maritimes and in parts of Quebec, as will the \$1.6 billion be available to farmers in western Canada.

How do these cutbacks in the WGTA and feed freight assistance compare to cuts in dairy? The dairy subsidy will be cut by 15 per cent per year for two years. This subsidy can be passed on to consumers. In fact it has been announced that the increased costs will be passed on. I have some concerns about that.

People in supply managed industries will have a difficult time dealing with the changes that are going to take place. These will be as a result of more competition coming in, perhaps from the United States. This is going to happen. I do not doubt that at all. I cannot say for sure when or how but it is going to happen.

With regard to supply management, Reform feels that farmers should have the right to operate together as they do under supply managed systems. I refer back to 1990 when I was on the Reform agriculture task force that developed the first Reform agriculture policy. At that time we noted that supply management is moving toward a more competitive system. We said that government should not hide this fact from dairy and other supply managed farmers. Back then we recognized the need for government to be very honest about this.

I found that over the past six or seven years governments have not been really honest with supply managed farmers regarding their systems and how they will be subject to more competition in the future. That is really providing a disservice to supply-managed farmers, governments not being honest and open. If the Bloc really has any doubt that there is this movement to more competition in the supply-managed industry then I want to point out a few things that I think will show that in fact supply-managed farmers will be subject to far more competition in the future.

• (1130)

I am not saying that I like the change I see. I know it is going to be very difficult for farmers in the supply-managed sectors. It is going to happen. I am not going to hide this from dairy farmers and from other people in the supply-managed industries.