

Supply

president of the dairy producers, who had the following to say: "As far as reducing the deficit is concerned, we expected Mr. Martin and his government to do what they promised: a budget that would be hard but fair". You may recall that for a month they were saying that the budget would be hard but fair. The article goes on: "Well as far as we are concerned, the Chrétien government was hard but unfair". That is the perception Quebec farmers have of this budget.

And what about the major banks that declared a profit of \$3.5 billion in one year? They will be asked to pay a meagre additional \$100 million as a temporary tax, spread over 18 months.

• (1645)

I realize that the major banks are among those that make the biggest donations to the party's coffers. There was the Conservative Party, but since they are out of the picture, I will not mention that.

So I agree we have to reduce the deficit. But, instead of coming down hard on farmers, I would like to add, for the benefit of the hon. member for Malpègue, that in 1988-89—and I am about to conclude, Madam Speaker,—spending in the agri-food sector, as a percentage of total federal spending, was 3.5 per cent. In 1994-95—the fiscal year which just came to an end—this percentage was 1.6 per cent; and in 1996-97, it is expected to be 1.2 per cent. So I am not very pleased with the way this government has treated and will treat agriculture in Canada.

Mr. Assad: Madam Speaker, I must correct something. My colleague opposite said that, in 1984, the Liberal government left behind a debt of \$250 billion. The debt was not \$250 billion, but \$160 billion. There is a big difference. In 1984, in terms of the Canadian economy, the debt was one of the lowest among the industrialized countries. I therefore find it a bit odd that he is providing incorrect figures. He could look at the facts.

Secondly, he mentioned that Mr. Rivard, the head of the dairy producers association, had said it was a tough budget. It is true. It is pretty tough, but it must be remembered that a Liberal government elevated the dairy industry to its present level. With milk quotas, dairy farmers in Quebec have become some of our wealthiest farmers. We must look at both sides of the issue.

I would tell my colleague across the floor that he should try to quote figures accurately. There are consequences for failing to do so.

The Acting Speaker (Mrs. Maheu): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Verchères—international trade; the hon. member for Cumberland—Colchester—health; the hon. member for Lévis—youth strategy.

Debate resumes with the hon. member for Lotbinière.

Mr. Jean Landry (Lotbinière, BQ): Madam Speaker, I rise today to talk about agriculture, a critical sector of our economy.

The official opposition is using this day devoted to agriculture to set the record straight in this area. I would not be surprised if, last week end, some members opposite forgot to reset their clocks.

Our job is to set the record straight regarding the last budget which has left Quebec farmers with a rather bitter aftertaste.

This last budget shows once more how unfair this government is.

The transition measures planned for Western producers following the elimination of the Crow rate are typical of the double standards applied by this government. Our party's position is clear: we support the elimination of this subsidy which created undue distortion in grain transportation.

However, we are against the \$2.2 billion transition payment to western producers. By reneging on its commitments, the federal government is pitting eastern producers against their western counterparts and creates new trade distortions. Once the subsidy is eliminated, grain producers in remote areas will be tempted to dump their products on the domestic market. Otherwise, they will have to pay for transportation costs to foreign markets. This will lead to lower grain prices in the west, and higher prices in the east, since they will reflect the real transportation costs.

• (1650)

Moreover, beef and dairy farmers in the east will be doubly penalized, compared to their competitors in the west, since they use cereals as feed.

This is not an attack against western producers. It is the federal government, and no one else, which is upsetting domestic markets by introducing compensatory measures which apply only to the west. The government created an imbalance when it introduced the Crow rate and it now creates a new imbalance by doing away with it. It should have either cut the subsidy without compensation or cut it and compensated equitably all producers. It is probably too much to ask from people who, as usual, acted without considering the consequences.

Following Martin's budget, the Minister of Agriculture and Agri-Food will see his budget go from \$2.1 billion to \$1.7 billion in three years. Two thousand positions will be abolished because of these cuts.

Rather than cutting the budget in this way, why did the federal government not transfer the resources to the provinces? They could have rationalized spending, taking into account the programs they already manage. All the federal government had to do was withdraw from this field of provincial jurisdiction. Again, this is a perfect example of duplication since two levels