

one which would include other countries and the benefits which would flow to the Canadian economy because of that.

I find it ironic that the Liberals have such short memories not only with regard to free trade and the benefits of trade in particular for the agriculture sector but also for all the other sectors of our economy. They seem to conveniently forget that it was the Liberal Party that started us down this road of deficit spending. I can recall quite clearly in 1984 when the Conservatives were sent here with a massive mandate. They continually said that they inherited the problem. Now we hear the same thing from the Liberals.

My question for the minister concerns something I hear raised by grain producers in my area. I myself—

The Acting Speaker (Mr. Kilger): Order. The time is so short and if we want to entertain a response from the minister, whom I will have to ask to be brief, I would ask for the question.

Mr. Hill (Prince George—Peace River): Mr. Speaker, I was just getting to the question.

A concern I hear raised constantly about the payout of the WGTA is that it is the understanding of the producers that it is to be targeted to land owners. In the area I am pleased to represent a big percentage of our land, not the majority, but a big percentage of our land is owned by foreign owners. I would ask the minister through you, Mr. Speaker—

The Acting Speaker (Mr. Kilger): Order. I would ask the minister's co-operation for a brief response.

Mr. Goodale: Mr. Speaker, I understand that time is short and in order to deal with this issue might take more time than is available right now.

The budget indicated that in order to obtain the advantage of a capital gains tax treatment as well as for other reasons that the \$1.6 billion payment would be directed toward farmland owners. We also indicated a flexibility in wanting to hear from farmers and farm organizations about their preferences on that subject matter.

The consultations with farmers and farm organizations have been ongoing for the last two or three weeks. I expect to conclude them probably this week. I hope to be in a position to provide definitive direction on that question after the end of this week.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I am pleased to rise today to respond to the Bloc motion on the fairness of cuts in agriculture.

I will do this by first outlining the cuts in agriculture spending and making some general comments on the cuts. Second, I will ask some questions of the minister regarding the WGTA and the payout under the WGTA and other questions on efficiencies in

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the rail system and so on. Third, I will talk about the cuts to supply management and how they compare to cuts in other areas of agriculture. Finally, I will discuss some of the general shortcomings in the budget that impact on every Canadian and will impact heavily on farmers if more action is not taken by this government to get to a balanced budget within a definite targeted time frame.

The Bloc motion reads:

That this House denounce the government for reducing the general budget of the department of agriculture by 19 per cent and milk subsidies by 30 per cent and for converting grain transportation subsidies into direct subsidies to western farmers, thereby enabling the latter to diversify and enjoy an unfair competitive advantage over farmers in eastern Canada.

• (1110)

This motion demonstrates that members of the Bloc are not evaluating this budget fairly particularly in regard to agriculture. I will outline the cuts in agriculture and then speak about some of the comparisons.

The budget clearly demonstrates that farmers have been asked to share an unfair amount of the burden of the cuts that were made by the Liberal government. I am not saying that the cuts should have been distributed evenly in terms of percentages in the different sectors of spending. I am saying that any way the cuts in agriculture are evaluated, they are unfair when compared to cuts in other areas of federal spending and they are unfair when compared to cuts in the agriculture department itself. I will demonstrate that by going through some of the numbers.

The overall cuts in the agriculture department spending amount to roughly 20 per cent over the next three years. The total funds available for 1994–95 were approximately \$2.1 billion. A 20 per cent cut means that under the Liberal budget \$445 million will be cut from the agriculture department.

Just to summarize the cuts, there will be an approximate cut of 30 per cent in safety net funding. Safety net funding is spread right across Canada. The safety net money provided by the federal government is spent in western Canada, central Canada and the maritimes. There will be an increase in the amount of user pay fees which will be spread right across Canada.

The subsidy for dairy farmers of about \$217 million a year will be cut by 15 per cent over two years, which is a cut of approximately 30 per cent. It will be cut to about \$160 million after the third year. Research has been cut substantially by the budget. Of course, research spending in agriculture is spread across the country.

Another major area of spending was cut by the budget which is not in the agriculture department but is a spending cut to farmers and agriculture. That is the end of the \$560 million a year Crow benefit. That is the largest single cut made to agriculture in this budget. Along with that there was about a \$99 million cut to the Atlantic Feed Freight Assistance Act and the