

*Government Orders*

result in losses estimated at from 24 to 40 million dollars annually, losses that Quebec farm producers will have to absorb. The federal government, which has always applied a double standard in the case of eastern farm producers and farm producers in Quebec is not providing any compensation for Quebec producers.

Negotiations between the federal government and Quebec producers have just ended. Last week, I was told that what the federal government offered was peanuts, a small amount that might be paid at some time in the future, provided Quebec producers keep quiet and do not condemn the inequities of this system.

A double standard, because abolishing the Crow rate means that local grain prices in western Canada will go down—not the international price but the local price. This provides an incentive for animal production.

• (1625)

As the preferential rate is phased out and ultimately abolished in 2001, western beef and pork producers are being given a considerable competitive edge over Quebec producers. And on top of this, as I said before, they are getting \$2.2 billion in federal funds, part of which, in fact 23.8 per cent, is paid for by Quebec taxpayers.

And so federal subsidies are being given to western farmers, subsidies paid for in part by Quebecers' taxes, enabling western pork and beef producers to come and compete with Quebec producers in their own market.

If this is fair federalism, what can unfair federalism be like? If flexible federalism means looking only at the collapse of a balance in the west and not looking at the other part of the country, which is affected by a decision such as the one to eliminate the WGTA and then compensate western farmers, there is a serious problem here.

We would have preferred, and this is the thrust of our amendments, first, that the Crow's Nest rate, the preferential Crow's Nest rate, be eliminated immediately and not over the next six years. The debate on this issue has been going on in Canada since 1978. I was present at the first, the second and the third debate, in different positions. Quebec's position has remained unchanged: if the preferential Crow's Nest rate, which has no equivalent in the east, is to be abolished, let us get on with it. As for the producers, and here I agree with the Reform Party on certain points, when they talk about areas other than those they serve, they should be made competitive right away.

Why gradually reduce the Crow's Nest subsidy and why gradually get around to increasing railway transport rates, when, according to the Reform Party, all of the west should operate as a free market system, efficiency driven and subsidy free?

They are engaging in double talk. When it suits them, they oppose subsidies. When it does not suit them, because the pressure in their ridings is too great, they say nothing. Look at them. They have no amendment to eliminate the \$2.2 million in compensation to western grain farmers.

We in the official opposition would have preferred this rate structure and the compensation to be dropped immediately, because Quebecers and Canadians everywhere else are being asked to tighten their belts. They are not getting any compensation. There is no transition.

When the Minister of Finance decided to withdraw \$2.5 billion from the unemployment insurance fund, he did so in one shot, all at once. He said nothing about transition. He said nothing about transition for the poorest families either, for those who are the most disadvantaged whom we have deprived of their only way out, through public housing, for example. He made no mention of transition, the Minister of Finance. There was no talk of spreading these decisions over five or six years.

It is outrageous that, for election purposes, the Liberals, who, as we know, are not strong in the west, are offering gifts to western voters and forgetting about voters in Quebec and the rest of Canada in general.

I find this double talk, this talk of the extreme right, from those beside us really distasteful in the context of subsidies to the most disadvantaged to ease their misery. The Reform Party's attitude toward our society's most disadvantaged is of the extreme right, but when it comes to paying out \$2.2 billion to western producers, it becomes most conciliatory, nearly socialist.

The thrust of our amendments is: let us get rid of the Crow rate.

[English]

**Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, we are now looking at 12 motions in group 2. I will explain the government motions and the reasons for them and then return if time permits to some of the motions being presented by the other parties.

• (1630)

The two motions being presented by the government are Motions Nos. 12 and 14. In Motion No. 12 the Minister of Finance is proposing that subsection 181.12(2) of the National Transportation Act, as contained in clause 21, be amended so that the agency will establish maximum regulated rates from and after the 1996-97 crop year.

This motion, together with Motion No. 14, which I will explain in a minute, will amend the NTA so that the maximum regulated rate provisions will be retained beyond July 31, 2000