

Supply

Canadians to keep importing sheep from New Zealand when we have been working for 20 years towards self-sufficiency.

• (1250)

Now that we are halfway there, the federal government is taking the wind out of our sails, without any consultations. No one had heard about any such plan before budget night. The industry is raising up against this plan and asking the minister to reconsider his decision, meet with the survival committee to ensure that sheep production will be allowed to continue with adequate research and development assistance and that the experimental farm in La Pocatière can remain in operation.

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, agriculture is still the basis of the rural economy in Quebec and the rest of Canada. In Quebec, almost 50 per cent of farmers' income comes from supply-managed products such as milk, eggs, chicken and turkey. Industrial milk accounts for 27 per cent of agricultural production in Quebec. Farmers and dairy producers in my riding, whether they live in Marieville, Saint-Césaire, Roxton Falls or Béthanie, are worried.

Under Canada's current supply management system for industrial milk, which was established in 1990, Quebec farmers receive almost 48 per cent of Canadian industrial milk quotas. Forty-six per cent of this milk is sold in the other Canadian provinces, for a total value of \$400 million at the farm level and \$1 billion on the market. In Quebec, some 2,900 dairy farmers are involved in industrial milk production, while processing translates into some 4,000 regular full-time jobs. This shows how important this sector is to us.

Under the federal budget tabled by the Minister of Finance in February, industrial milk producers in Quebec will lose 30 per cent of their income over two years. This means that industrial milk producers will see their income drop by 15 per cent the first year and another 15 per cent the following year.

How can this budget measure not involve heavy financial sacrifices for farmers and rural communities in Quebec and Canada? How can the rural structure not suffer radical changes? Rural realities are in stark contrast to Liberal government policies favouring the development of new markets and income security for farmers. Paradoxically, according to the federal Liberal government, these budget measures are aimed not only at stabilizing producers' prices and income in light of global trends, but mainly at reducing farmers' dependency on government.

The reality is that the agri-food industry in Quebec and Canada does not carry much weight in international negotiations on market access. In other words, the federal government would rather sacrifice a whole sector of its economy in order to

preserve other comparative economic advantages it has managed to negotiate with the U.S. and other industrialized countries. I understand this cold and purely economic strategy, whereby the men and women who make these products are mere statistics. The only thing that counts is the dollar figure on their production.

However, there is a world of difference between understanding something and accepting it. I cannot accept the fact that farmers, whether in Quebec or elsewhere, are victims of the system. I cannot understand why financial speculators now have the upper hand, at the expense of those who have been feeding us for generations.

Some hon. members: Hear, hear.

Mr. Leroux (Shefford): I cannot accept the fact that the government wants to dismantle this system, since it will jeopardize national security in Quebec and in the rest of Canada, and leave us vulnerable to the actions of speculators on international markets.

• (1255)

How many generations of men and women worked to clear the land? Thanks to their efforts, that land is now fertile and it provides us with an abundance of products of all kinds. But the Liberals want to sacrifice that.

Is it because Quebec controls 48 per cent of the industrial milk market that the Liberal government wants to stop providing the basics to dairy producers? Or is it simply that the Liberals in Ottawa are continuing their crusade against dairy producers, through the implementation of detrimental agricultural policies, defined—

The Acting Speaker (Mr. Kilger): Dear colleagues, I ask for your co-operation. I understand that, at times, the debate gets somewhat heated.

Mr. Leroux (Shefford): It is painful for the Liberal Party whip to hear the truth. Yet, he represents an agricultural riding from Ontario. He should understand the issues to which I am referring and which exist in his predominantly French speaking riding.

Since 1958, the dairy industry has always been protected and supported under the Agricultural Stabilization Act, which was passed by a Conservative government. In 1986, Ottawa approved a long-term dairy policy and authorized payments, to dairy producers, of \$6.03 per hectolitre of industrial milk having 3.6 kilograms of fats. That policy was implemented under the Conservatives.

In 1991, the Conservative government abolished the Agricultural Stabilization Act and replaced it with the Farm Income