

Supply

• (1145)

But when the taxpayers are asked to tighten their belts, they want to know why and for what purpose.

As a member of the Bloc Québécois representing a mainly rural riding, I know that our farmers and milk producers are wondering what would be the point of making such sacrifices. What does the government intend to do? What is the government aiming for when it cuts in my industry instead of somewhere else? Is the government trying to put our financial house in order so that we can all compete more efficiently against each other in Canada? Is the government making short-term cuts in order to help farmers in Quebec and Canada better compete on the world market in the medium term? Or has the government simply decided that to pay back our debt it has to cut spending wherever it can, since the important thing is to cut?

Under these circumstances, no one will agree to make such sacrifices.

I am sorry, Mr. Speaker, but I should have told you at the beginning of my speech that, starting with me, the speakers will be sharing their allotted time.

I was saying that the way the cuts are made seems unfair to us. In fact, the government announced the elimination of the \$560 million annual subsidy known as the Crow rate and—others have pointed it out before me but I think it is worth repeating—that subsidy primarily benefited Western farmers through low grain transportation rates. However, to help farmers adapt to the change, the Minister of Finance will give them \$1.6 billion as compensation for the loss in value of their land, \$1 billion in loan guarantees to buy grain and \$300 million over a five-year period to facilitate the transition.

These could be seen as satisfactory measures. We could say: "Good for them. The cuts will not harm them too much since they will get compensation". The problem is that when the Quebec producers compare their situation with that of others, they see that they are not treated fairly. Take milk producers. The Minister of Finance will reduce the subsidies to milk producers by 30 per cent over two years, which represents \$70 million over a current budget of \$300 million. There is no financial compensation to help Quebec producers absorb this major cut.

We show compassion for the Western farmers, we feel sorry for them and we give them compensation, but when we talk about Quebec farmers, we tell them: "You are used to suffering, you are tough, so we will not give you anything, it is your problem".

The government gives \$2.2 billion in subsidies to Western farmers, the vast majority of whom will recover their losses, but it will not give a single penny in compensation for the cuts that will primarily affect Quebec farmers.

In the face of such flagrant favouritism, can we really talk about a fair and equitable budget? I do not think so. The impact of these inequitable measures could be very harmful for Quebec farmers.

The Fédération des producteurs de lait du Québec argues that with this generous compensation package, Western farmers will have no trouble competing with Quebec farmers, who will be struggling with the cuts. Is that what the government wants? This is the question I asked at the beginning.

• (1150)

Does the government want to give some farmers an advantage over other farmers in Canada? Does it want to specialize farm production? Does it want to specialize crops? If that is what it wants, it should say so. Maybe it would help farmers become more competitive. However, if all farmers specialize in the same production both in the west and in the east, then Canadian farmers will find themselves competing with each other.

This might work under different circumstances, for example after a victory in the Quebec referendum. Then it could become healthy competition and the same taxpayers would not be paying twice. Taxpayers in Quebec would pay to promote their own products and taxpayers in the rest of Canada would pay to promote their own products. Quebec is certainly capable of responding to this challenge. However, it is not willing to pay for the development of both its products and those of western producers. It is unfair and totally unacceptable.

We could talk about hog farmers in Quebec who are also threatened by these cuts in subsidies. The compensation given to western farmers creates a distortion on agricultural markets that will be very costly to Quebec farmers. The 30 per cent cut in subsidies to industrial milk producers is particularly unfair because it so happens that Quebec dairy farmers produce over 47 per cent of Canadian industrial milk.

It always boils down to the same question: What is the purpose of asking Quebecers to make such a sacrifice? Quebec farmers account for 47 per cent of the total production and they are being asked, without any compensation, to keep producing and to remain profitable. Does the government really want to help the dairy industry in the medium and long term or does it want to encourage other provinces to compete with Quebec?

An hon. member: Good question.

Mr. Laurin: There is another aspect of this budget that we need to talk about as it relates to agriculture. Despite the fact that the federal government promised in the red book not to cut research and development spending, Mr. Martin's budget makes drastic cuts in R&D spending.

In the Department of Agriculture, as mentioned earlier by a previous speaker, research budgets will be reduced by 11 per