

The Budget—Mr. Monteith

later date in our mandate when our physical position is better due to debt reduction measures taken now.

The Government will continue to share costs with the provinces for child care services that are eligible under the Canada Assistance Plan. In 1988-89 this will amount to approximately \$240 million.

Secretary of State programs such as the promotion of official languages, women's programs, native programs and multiculturalism will be reduced. Funds will be targeted toward community based projects which respond to community needs. Savings of approximately \$10 million will be realized in 1989-90.

Currently, the Canadian taxpayer subsidizes ridership on VIA Rail to the amount of \$641 million in 1988 or about \$100 for each passenger. Ridership on the trains has not increased and rail is now one of the least used modes of transportation.

The Government's assistance to VIA Rail will be \$541 million this year and will decline in subsequent years. VIA will be required to operate in a more cost effective manner and produce a corporate plan outlining measures to achieve this goal.

You will recall, Mr. Speaker, that a similar goal was set for Canada Post a few years ago. Many believed that that goal could not be achieved. Yet the Minister of Finance has reported to this House that the Canada Post Corporation is expected to pay the Government a dividend this year. I am certain VIA Rail will be in the same position in a few years as well.

The Finance Minister also evaluated a number of agricultural programs which, of course, are of particular interest to my riding. The At and East Grain and Flour Subsidy program subsidized the rail transportation of wheat and flour exports to eastern ports. It was established in 1959 prior to the opening of the St. Lawrence Seaway in order to ensure that Canadian exports were shipped through Canadian ports and not through competing U.S. ports. At the time the subsidy was initiated U.S. rail costs were less than Canadian.

However, this competitive concern no longer exists since the cost of shipping by rail in the United States is considerably higher than shipping by water through the St. Lawrence Seaway. The elimination of this subsidy is the logical one, given the Government's commitment to reduce expenditures.

The Dairy Export Program provided for a direct subsidy of \$6.03 per hectolitre on 2.2 million hectolitres of milk production destined for export market. This is one of the few, if not the only, farm group in supply management that receives an export subsidy. In 1984, the amount of milk eligible for the subsidy was reduced to 1.1 million hectolitres. Although the subsidy was to be reduced last summer, it was not. The Budget proposes to eliminate the remaining half and consequently reduce government spending by about \$7 million annually.

The price of gasoline increased in this Budget, but the excise tax rebate program will continue until December of this year and the sales tax rebate program for farmers continues as planned.

As the Member of Parliament representing a large number of tobacco growers, I would be remiss if I did not mention the effects of taxation increases on tobacco products. Yes, it will affect my constituents. Tobacco farmers have seen a rapid decline in the consumption of their products, especially in the last decade.

However, the Government has implemented programs to help farmers ease into the production of alternate crops. The Tobacco Assistance Program helps farmers to exit the industry through buy-backs of tobacco quotas. Programs have also been implemented to assist farmers with diversification into alternate crops. And like crop insurance, the federal Government has carried the lion's share, while the provincial Government debated back and forth on whether or not it would join to assist these farmers.

The federal Government's commitment to agriculture has been outstanding. Canadian farmers have been sheltered from the effects of the international trade war in agricultural products at a cost of over \$1 billion to the federal Treasury. Federal spending in agriculture has increased from \$3.2 billion in 1984-45 to some \$5.8 billion in 1987-88, and grain farmers have been assisted with over \$10 billion in federal funds over the past five years. The federal Government has committed \$800 million in drought assistance because it was obvious that crop insurance was not going to be sufficient to cover the effects of severe drought last summer.

As a Government we will need to examine closely the relationships in agriculture to ensure that long-range policies take into account the constitutionally shared responsibility among federal and provincial Governments in this important sector. Already review of programs such as crop insurance, safety net options and pesticide registration are under way. We are all in this together is the Budget's message, and we all have to pull together to insure that the public debt is reduced. That is why Canadians are being asked to pay a bit more in