

Government Orders

The program will support better access to capital, new management skills and better infrastructure including improved access to information and technology.

It will reduce dairy subsidies and undertake consultation with industry on the use of remaining moneys to enhance the industry's competitiveness. Additionally it will eliminate the feed freight assistance subsidy in 1995 and redirect approximately \$60 million over the next 10 years to encourage agriculture and agri-food development in Atlantic Canada, eastern Quebec, northern Ontario, British Columbia, Northwest Territories and Yukon.

Under the Farm Improvements and Marketing Co-Operative Loans Act the government is proposing to increase the amount of loan guarantees from \$1.5 billion to \$3 billion to assist in the process of adaptation and change.

The government's proposals in the agriculture and agri-food sector represent significantly the necessary change. With the current fiscal situation we must shift to activities that enhance the industry's ability to compete and succeed in the marketplace.

In conclusion, for too long governments have known the need for change, the need for renewal, but have lacked the will. The government has consulted with the people of Canada, including the agriculture community. I urge members to pass the bill.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Madam Speaker, I appreciate the opportunity to ask a question of the member who during his remarks placed a considerable amount of emphasis on agricultural issues, particularly the elimination of the grain freight subsidy which the budget and the bill bring forward.

The single most devastating element of the budget is the elimination of the Crow benefit, the transportation obligation of the government with respect to ensuring that we have agricultural exports of grain.

The member and the government are aware that regardless of what diversification occurs on the prairies and regardless of what value added industries are in place, anywhere from 60 per cent to 80 per cent of grains grown on the prairies will remain for export. As a result the increase in costs for freight will be substantial and the reduction of income for farmers and the communities they support will be substantial.

I know the government has spent some time in calculating how it would eliminate the subsidy and save the departments of transport and agriculture some money. I wonder if the member has seen any analysis or evaluation that points to or substantiates the evidence the government says is available concerning the long term implications of the withdrawal of the Crown benefit from the prairie economy. Has the member seen any analysis, evaluation or study regarding what the elimination of the subsidy will mean to the prairie economy?

• (1230)

Mr. Calder: Madam Speaker, I would like to respond to the hon. member, that I have not seen a report that means to say these studies have been completed. This is an ongoing procedure right now. We have come up with \$1.6 billion to anticipate any property loss that will be experienced by prairie land owners and there is a \$300 million program there to soften the blow also.

The issue we really have to look at is the commodity of moving potash in the prairie provinces and moving the commodity of wheat. The transportation costs for the two by the railways has to be the same. The farmer cannot carry the extra cost of having his wheat be more expensive to move and still be competitive on the world markets.

That tells me there has to be a unified front of all the industry players. Everybody has to come up with the most efficient, effective way of moving grain for the international markets. That is the process going on right now.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Madam Speaker, since the hon. member is so fond of figures, I want to ask him if he realizes that the February 28 budget does nothing to improve the medium term indebtedness of the federal government.

If the hon. member did examine the figures and the assumptions contained in the budget, I want to ask him the following questions: What will be the average annual growth rate of tax revenues, for the next three years, based on the Minister of Finance's budget? What is the average growth rate of operating and program expenditures anticipated in the Minister of Finance's budget? Finally, what is the expected indebtedness level of the federal government in 1997-98, according to the Minister of Finance's budget?

If the hon. member looked at the real consequences of the budget of his colleague, it might be a good idea for him to answer these three questions.

[*English*]

Mr. Calder: Madam Speaker, if I could give the hon. member answers to question like that, I would be a millionaire in the stock markets.

We have listened to the forecast from the private sector as to what the anticipated growth will be for this year and next year. Our assumptions have been lower than that.

I will crunch some figures. We started 1994-95 setting our budget figures at \$39.7 billion. That was to be the deficit. By 1996-97 the figure is being set at around \$24.3 billion. That is a \$15.4 billion cut over two years. We know we are adding to the accumulated public debt which is also costing us.