

Adjournment Debate

Today, the grain transportation system accounts for tens of thousands of jobs and creates hundreds of millions of dollars for our Canadian economy. When the minister cut the Crow benefit it took \$73 million directly out of the pockets of western Canadian producers and put in jeopardy the future of the whole Canadian grain transportation system. In fact, the loss of the Crow benefit will destroy this system unless alternatives are put in place.

• (1820)

The history of agriculture that this government has certainly does not show confidence in this government by the western Canadian producers because it has spent billions of dollars on agriculture in this country but the money has not been spent with any real objective in mind. We still have farmers losing their land, we still have problems in agriculture, we still have rural communities disappearing.

Taxpayers should be upset, farmers should be upset, rural communities should be upset at the waste of money that this government has spent on agriculture. What is even more disparaging is the fact that this money could have been spent much more wisely and with a much greater benefit.

The fact that this government is removing the Crow benefit causes me a lot of concern and causes farmers right across this country a lot of concern. Unless there is something to put in place of the Crow benefit there are going to be grain shipments south. They are going to be going through different ports and our transportation system as we know it is going to disappear.

Right now the St. Lawrence Seaway is in severe difficulty because it is not receiving the grain shipments that it feels it should and it is having financial difficulties. There have already been shipments of grain that have gone through the state of Washington as an experiment. Some of the grain companies are already talking in terms of moving grain south.

It is going to wreak havoc on the economy of western Canada if those procedures continue, if the Crow benefit continues to be reduced and if the Crow benefit disappears. The only reason grain is not moving south right now is the Crow benefit which provides a financial advantage for the farmers to move their grain on the Canadian lines. If the Crow benefit is gone, if the Crow

benefit disappears, what we are then going to see progressively is more and more grain moving south.

Look at the subsidized Mississippi River route that the Americans employ. If somewhere down the road they change their attitude toward subsidies and if the cost goes up we may find ourselves in Canada unable to ship grain via the Canadian route simply because we have not taken into account these alternatives.

I would like to ask the government, at a time when it is reducing the Crow benefit, at a time when it is taking money out of the farmers' pockets, what alternative programs does it have in place? What is its plan? When it reduces the Crow benefit, when it loses the Crow benefit, what is it going to put in place to ensure that we have not only farm families in viable rural communities but a viable and healthy Canadian grain transportation system?

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, in considering the impact on agriculture of the economic statement by the Minister of Finance, it is important to examine the whole package of measures.

In seeking the control of the over-all budget, the government is asking many groups to make sacrifices and adjustments. The government has exempted some groups and most important it has exempted the major safety net programs for farmers.

The safety net programs are the core measures through which governments and farmers together have organized to protect farmers against unfavourable markets or production uncertainties. The government recognizes that prices to farmers are among the lowest in history, but that is precisely why we have in place the Gross Revenue Insurance Program, the Net Income Stabilization Accounts, Crop Insurance and the National Tripartite Stabilization Programs. These programs are completely exempt from what the government is asking in other areas.

The over-all impact of reducing the WGTA subsidy by 10 per cent on the well-being of prairie grain producers will be small. At most, it would reduce operating margins by two per cent. What will be much more important will be world market developments and growing conditions in 1993. At the same time, it is estimated that net operating margins of beef and hog producers will increase by about one per cent.