

Adjournment Debate

At the same time, federal safety net funding is to be cut by 30 per cent over the next three years, again hitting mostly the grain sector. We see substantial increases to transportation in Atlantic Canada for highways and roads but we do not see any comparable increase for the loss of the Crow benefit which will severely impact our good road system in Saskatchewan.

Ottawa's changes to the regulatory system mean that as of January 1, 1996 some 500 miles of light steel rail lines will be subject to abandonment with no review, affecting 48 communities in Saskatchewan. Another 3,000 miles of branch lines become eligible for abandonment after an as yet undefined review process, affecting another 383 cities, towns, villages and hamlets. This fast tracking of branch line abandonment means higher trucking costs and the further one is from a main line, the higher those costs will be. For instance, the distance from Kyle, Saskatchewan to the nearest main line is about 70 kilometres; from Val Marie it is about 150 kilometres.

What about the higher road maintenance costs to support this increased trucking? Who pays for this? I am encouraged Ottawa finally recognized the road impact, but the \$300 million adjustment spread over six years and across three provinces with only part of this designated for roads—

The Acting Speaker (Mrs. Maheu): Your time has expired.

ADJOURNMENT PROCEEDINGS

• (1830)

[English]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

CANADIAN WHEAT BOARD

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Madam Speaker, I would like to thank you once again for giving me the opportunity to address questions to the government which the people of Saskatchewan, particularly farm people and the communities they support, are concerned about.

On March 17, on behalf of the Minister of Agriculture and Agri-Food and the Minister of Finance, the Minister of Transport answered, inadequately, two important questions I put to the government in regard to the Liberals' plan to eliminate the Crow benefit.

First, I want more information with regard to the future of the Canadian Wheat Board and its request for regulatory control over freight rates. The minister was aware that the Canadian

Wheat Board asked the federal government to give farmers a short term break on freight rates and I agreed with the board.

There is no debate about how the elimination of the Crow benefit will affect the increased costs of shipping grain by rail. Those costs will increase dramatically. In fact, for the benefit of those who are uninformed here in the Chamber tonight, it should be noted that when taken to its lowest common denominator, the average benefit of the Crow rate to a Saskatchewan farmer in 1994-95 terms is \$15.63 per tonne out of a total grain freight cost of \$30.35 per tonne. On an average sized farm this means an average increase in costs of \$10,000 to \$12,000 per year per farm as of August 1, 1995. As members heard me say in my speech in the House last week, this means a community increase of about \$1 million for every delivery point in the province.

Given no other changes, the government's decision to eliminate the Crow benefit will result in a doubling of farmers' shipping costs at the same time that farm income support from the federal government will drop by 30 per cent over the next three years. There is nothing to say that when the federal government removes itself from the business of helping to move grain to port by rail that the railways will not immediately increase the cost of the freight. The Canadian Wheat Board, most Saskatchewan farmers and I would like to see some sort of regulatory control put in place to ensure that there are no immediate or later unnecessary increases imposed on farmers during this most vulnerable time.

On March 17 I also raised the question of the future of the Canadian Wheat Board because no studies have been done on this subject. The government is eliminating the Crow benefit with the stated intention of reducing the amount of grain grown on the prairies in favour of more crop diversification. With less grain, especially wheat, and with the need of the Canadian Wheat Board to have a secure supply of product on hand for our many customers around the world, I want to know if the government has spent any time studying what the long term implications of the decision to eliminate the Crow rate will have on the Canadian Wheat Board and the security of its supply.

In a supplementary question I expressed concern about the pending payout of \$1.6 billion. It is already acknowledged that farmers' costs will be increased by the elimination of the Crow benefit and it was speculated from day one that land values would decrease. Now it seems that the Liberals are acknowledging that land values will decrease and, as a result, they are putting in place a financial compensation package which seems to only address the decrease in land values.

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Madam Speaker, I am responding to the hon. member's question of March 17.