

*Adjournment Debate*

We all remember it was the Liberal Party that originally began the process of getting rid of the Crow rate. The names Otto Lang and Jean-Luc Pepin still bring out emotions full of hard feelings on the prairies.

Although the Liberals failed originally to destroy the Crow, they did succeed in weakening it enough so that today just one decade later they could finish it off. This is absolutely horrible.

The loss of the Crow benefit is bad enough by itself, but the government has compounded our prairie anger in two other ways. First, it has abandoned the farm economy without any plan or structure in place to help the economy recover. Second, it has offered a one-time payout which is not only inadequate but is inappropriately targeted only to land owners.

I have already argued elsewhere that loss of the Crow benefit without a long term plan to replace it could lead to the erosion of land values, a loss of farmers and farms, a reduction in the rural tax base and therefore a reduction in the support for the maintenance of the rural infrastructure, and with this a further loss of quality of life in rural Saskatchewan.

The Crow benefit just two years ago was providing a net annual benefit to the province of Saskatchewan of \$400 million. It will take a pretty hefty investment in diversification and value added production to replace that \$400 million just to remain economically stationary.

The Liberals have made no provision for that investment. Our problem on the prairies has never been the Crow rate. It has been a lack of investment capital. The will has always been there for value added production but the money to make it happen has been absent.

The fight to save the Canadian Wheat Board has not been considered in all of this and if the supply of wheat is threatened then so too is the future of the board. Can we consider this in our long term equation?

I want to know if the federal Liberals have taken any time at all to properly think out the long term implications of this decision. If they have, I want to see their documented evidence and reasoned conclusions. If they have not, shame on them.

At the same time I want to note that the Liberals are preparing to pay out \$1.6 billion in compensation, even though they know that \$7 billion to \$9 billion is required if there is to be any fairness in the system at all.

Not only has the government failed to meet this fairness test, but it has also said that the money will be paid only to land owners. Does the government not realize that about one-third of the seeded acreage is currently under lease to banks or other financial institutions including the Farm Credit Corporation?

The people who have been paying and will continue to pay the freight costs of grain sold for export and are leasing their land from a government owned corporation will not see a single cent of this payout, no matter how important it is.

The Liberals have demonstrated a complete lack of understanding of the prairie farm economy. With this single move in the budget I hope they are prepared to reconsider now what they have done before it is implemented and before the ultimate damage is done.

**Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food, Lib.):** Mr. Speaker, it is a pleasure to respond to the hon. member's comments. I only regret that it is two minutes and not twenty, because I think I could help him understand. I am sure in the end he would understand and appreciate the action we have taken.

The hon. member is suggesting that the elimination of the Crow will have a damaging effect on the prairie economy. In fact, this government is certainly committed to restoring the economy in western Canada to its full potential. The document that has been put forth for discussion purposes, and I stress that, would see approximately half or about \$800 million of the \$1.6 billion ex gratia capital payment going to Saskatchewan.

• (1840)

The share will be representative of Saskatchewan's share of prairie grain movement. Farmers will also benefit from the capital gains tax advantage.

The government's assistance however is not limited to that. There will also be a share in the \$300 million adjustment fund. That will be available for some areas in Saskatchewan as well.

These initiatives are only part of this government's plan to restore the prairie economy and help make this region an integral economic force in an increasingly competitive global marketplace. Changes with respect to freight rates have the potential to encourage diversification and value added production throughout the west.

I might interject here. I just got off the phone with a friend in a riding next to mine whose company is in the livestock industry. It had three orders from pork producers in western Canada today to increase and make some changes in those operations because of what this is going to do. It is indeed going to follow up on diversification.

Only days after the announcement, and the above is a good example, that potential is being recognized. Industry groups are already talking about moving into other crops and diversifying their operations.

It is not only farmers who are adjusting. Transportation industries ranging from trucking companies to seaports are closely examining the services they offer in order to increase