

*Government Orders*

Some changes were made but they did not go far enough. For example, in branch line abandonment, the reductions that will be allowed are limited and uncertain. In car allocation, the method used will be based on historic allocation. That does not provide well for the changes which are needed to make this system more efficient. The Canadian Wheat Board will still be a government controlled body instead of a farmer controlled body which is what it should be and what farmers want it to be.

• (1225)

Payouts will be made to farmers under this budget. First, in regard to the WGTA there will be a \$1.6 billion compensation package. The stated intent is to compensate farmers for a loss in land value which will result from the loss of this \$560 million a year subsidy. When we examine this it allows for about a one and a half to a two year transition time for grain farmers. It is too short a transition time. There would also be a \$300 million transition fund but we do not know where it will be spent and how it will be used. There is too much uncertainty.

In feed freight assistance the payment is eliminated entirely but there will be a \$326 million transportation adjustment program. Again, it will be paid out over five years. The detail beyond that does not exist. The uncertainty is unacceptable.

Governments have talked a lot about trying to help stabilize the agriculture industry. It seems to me that they have caused a lot of uncertainty and instability. That is certainly the case with this budget. More questions have been left unanswered than have been answered.

I want to ask some of the questions which have been asked of me by western Canadian farmers over the past month. They concern the loss of the Crow benefit payment and how the payment will be made. Other questions concern the compensation and transition packages.

The stated purpose of the \$1.6 billion WGTA payout is to compensate farmers for a loss in land value resulting from a loss of this benefit. If this is the intent, then why would the payment not be made on all farmland? If grain land loses its value, then would not other land lose its value as well?

Why did the minister call on owners and lenders to pass the payment on to renters and lessees? This seems inconsistent with the government's stated intent which was to compensate for the reduced land value. If the real intent on the other hand is to provide transition funding to grain farmers, then why is this not acknowledged and why is the payment not structured accordingly?

There is a second area of questions I will ask on behalf of farmers. Does the minister have any advice for renters or those leasing land and who are part way through a lease or rental

agreement right now? These farmers will be caught paying up to \$35 an acre more in freight costs for crops they will be seeding over the next two months. Because of crop rotations and herbicide planning, it will be difficult to make the appropriate adjustments in crop seeding to help reduce the added costs by changing to higher value, lower volume crops or indeed moving more into livestock and growing feed or providing pasture for livestock.

Does the minister feel it is reasonable to make a policy change which will have the magnitude of impact with virtually no transition time and no transition funding? That is the case for lessees and land renters. I am sure there are thousands of farmers renting land, and many in the minister's own riding I would suggest, who are looking for advice on how to deal with this unanticipated extra cost. I doubt very much they will be looking to the minister for this advice.

The third area of questions farmers have asked over the past month since the budget and indeed before it also has to do with the WGTA and the loss of that benefit. I have several questions to ask on behalf of western grain farmers regarding how the payment will be calculated and when the payment or payments will be made.

The budget implementation bill does state that payment will be based on 1994 acres seeded to grains and an adjustment will reflect historic productivity. This leaves many questions unanswered.

• (1230)

For example, how will historic productivity be determined? If the payment is based on 1994 grain acres, those who have been moving acres from forage to grain land in a rotation may be completely missed in terms of a payout. People who read the market signals and who made the appropriate moves could be completely missed by this payment through no fault of their own. The last question is when will farmers receive their payment or payments?

Another area is what measures will be taken to allow the system to become more efficient and to give farmers more flexibility in marketing. I have seen very little evidence this exists.

The Liberal government by not going far enough in the budget will make life for Canadian farmers very difficult. Cuts in agriculture are not matched in any way by cuts in other areas of federal spending. As well, changes which would allow farmers to make up for some of the losses in payments from government, or which would allow farmers to cut costs, are inadequate. Changes that would allow farmers more direct access to markets are non-existent.