

PRODUCTION INCREASES. NATURALLY THIS REDUCES OUR TRADING PROSPECTS INTO THE COMMUNITY BUT IT IS A MUCH GREATER PROBLEM WHEN THE USE OF EXPORT SUBSIDIES IN THIRD MARKETS LEADS TO REDUCED INCOMES FOR PRODUCERS, SUCH AS OUR OWN, WHO RELY ON THE WORLD MARKET FOR THEIR RETURNS. WE BELIEVE THAT COUNTRIES SHOULD SERIOUSLY ATTEMPT TO REDUCE ANY PROGRAMS THAT HAVE A DEPRESSING EFFECT ON INCOMES OF GRAIN FARMERS WHO RECEIVE THEIR RETURNS FROM THE INTERNATIONAL MARKETPLACE.

CANADA AND OTHER MAJOR GRAIN EXPORTERS ARE THEREFORE VITALLY INTERESTED IN THE OUTCOME OF THE CURRENT DISCUSSIONS BETWEEN FRANCE AND ITS EEC PARTNERS ON THE REFORM OF THE COMMON AGRICULTURAL POLICY. THE COMMUNITY NOW HAS A UNIQUE OPPORTUNITY TO IMPLEMENT MEANINGFUL MODIFICATIONS TO THE CAP AND WE ARE HOPEFUL IT WILL SUCCEED. I CAN TELL YOU FRANKLY THAT WE WOULD BE EXTREMELY CONCERNED SHOULD LITTLE BE DONE TO COME TO GRIPS WITH THE CENTRAL ISSUES INVOLVED, THE SUPPORT WITHOUT QUANTITY LIMITATIONS AT PRICES SUBSTANTIALLY ABOVE WORLD LEVELS AND THE PRACTICE OF SUBSIDIZING THE DISPOSAL OF SURPLUSES ON WORLD MARKETS. THIS ISSUE WILL ALSO RECEIVE ATTENTION DURING THE FORTHCOMING GATT MINISTERIAL MEETING OF TRADE MINISTERS IN NOVEMBER.

I NOTED EARLIER GOVERNMENT SUPPORT FOR MAJOR IMPROVEMENTS IN THE WESTERN TRANSPORTATION SYSTEM TO ENABLE OUR GRAIN EXPORT TARGETS FOR 1985 AND '90 TO BE REACHED. WHILE I RECOGNIZE THE PRIMARY ROLE OF THE CANADIAN WHEAT BOARD FOR THE EXPORT OF BOARD GRAINS, AS THE MINISTER RESPONSIBLE FOR EXTERNAL AFFAIRS, INCLUDING TRADE, I AM PARTICULARLY AWARE OF THE IMPORTANCE OF MARKETING. I WOULD LIKE TO ASSURE YOU THAT MY DEPARTMENT, INCLUDING THE MEMBERS OF THE TRADE COMMISSIONER SERVICE, WILL DO THEIR UTMOST TO SUPPORT THE EXPORT EFFORTS OF THE WHEAT BOARD,