

Adjournment Debate

per cent below the price it had been the day before. This is accounted for by a drop of the federal government's guarantee on initial prices of \$20 a tonne as well as decisions by federal government agencies to increase elevation, storage and handling charges, and to increase the farmers' share of the freight rate under the Western Grain Transportation Act. In all, producers of No. 1 wheat received 22 per cent less delivering on the first day of this crop year.

The result is that the prairie pools, who have done a fairly thorough estimate of the potential damage, say that at the end of this calendar year with the assistance that is appreciated of approximately \$500,000 to Canadian producers, Saskatchewan farmers on average will have a net income of about \$4,000 each.

If we are going to attempt to have net incomes for farmers similar to those of the last four or five years, we will require an addition \$1.25 billion to go into the grain sector alone. That is the sector that is most hurt by these actions by other countries.

The livestock, dairy and poultry areas have been more or less holding their own, in part because we have a certain amount of protection for some of these commodities with supply-management marketing boards. Others happen to be just at the low end of the cycle, for instance the prices for beef, while they are not good, are almost as high as they were in 1977 and 1978.

That gives you some idea of how desperate farmers are when they see 1977-78 prices as being very good news. We are only about 15 per cent below that on those commodities.

The point that I want to make to the Ministry of Agriculture is that the problem has not gone away. Their preview of what was to come was much too over-optimistic. The reality is there is still a great shortfall in the country, and at least \$1.25 billion is needed in order to bring these farmers' incomes up to a level consistent with what average Canadians are getting.

I would urge that the minister take action as soon as possible. I note that he has always said that the next injection of funds would be through a firm program, possibly the proposed GRIP or NISA. Those programs will not handle this kind of pay-out because the trigger-

ing mechanism is on an average price and that would not trigger a pay-out under these circumstances. The cash is needed desperately and I urge the government to act quickly.

• (1815)

Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I just want to point out that the government is very keenly aware of the difficulties facing the grains and oilseeds sector. Over the last number of years we have taken unprecedented steps to help farmers through the difficult times. I believe our record speaks for itself.

We established the Special Grains Program for the 1986-87 crops to ease the burden of low grain prices brought on by the international subsidy wars. This program paid out more than \$2 billion over those two years.

Again in 1988, when farmers all across Canada were reeling from the effects of a devastating drought, we provided about \$850 million to help them cope again. This year, we announced \$450 million in assistance to grains and oilseeds producers.

Agreements have now been signed for approximately \$435 million, or 96 per cent of that total. The remaining amount has been earmarked for the fur and horticultural industries, and to support soil conservation projects across Canada.

These initiatives I have just outlined constitute assistance for the grain and oilseeds industry totalling almost \$3.5 billion. That is a significant commitment to the industry.

However, these special programs are not enough and we recognize that. Canadian farmers should not be expected to rely on government assistance packages year after year. An improved safety net system is needed to provide financial stability to the sector. A new program may be within sight. Over the last nine months proposals for a new program have been designed by the farmers and governments represented on the grains and oilseeds safety net committee. These people have recommended that these programs be implemented for the 1991-92 crop year.