

Oral Questions

[English]

AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture.

Last month he met with the Secretary of Agriculture, Mr. Yeutter, in Washington and announced that the United States government would be ratcheting down the export enhancement program which has been so harmful to our Canadian farmers and to the world price of wheat.

Could the minister explain just what happened with that ratcheting down? In fact the budget brought forward this month was to increase the budget of the export enhancement program to \$900 million from about \$566 million last year, of which only \$334 million was spent.

What happened? Did Secretary Yeutter mislead the minister, or was the minister misleading Canadian farmers when he told them in December that the U.S. export enhancement program would be ratcheted down in this coming fiscal year in the United States?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, in this fiscal year, 1990, the export enhancement program has been ratcheted down from \$770 million to \$566 million. That is this year, 1990. What the hon. member is referring to is fiscal 1991. That is next year. That has to be ratified by Congress.

If we get agreement in a comprehensive way on agricultural issues during the MTN negotiating process, Mr. Yeutter has made it very clear that that will be withdrawn.

Mr. Maurice Foster (Algoma): Mr. Speaker, the 1990 budget has been known for quite a while. Clearly the minister or the Secretary of Agriculture was misleading Canadian farmers back in December.

A month ago the United States provided some \$20 per tonne for 500,000 tonnes of wheat to Russia. In March, the government is supporting exports of another 500,000 tonnes of wheat to Russia at almost \$19 a tonne.

With this kind of subsidy provided to American grain producers, how does the minister expect Canadian wheat producers to survive fighting against the United States

Treasury, which is in violation of Article 701.4 of the free trade deal?

How does the minister expect our farmers to survive with this kind of competition, this kind of unfair subsidization?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, we certainly are not supportive of the ongoing massive subsidization by the European Community and by the United States. The price war has affected Canada very directly. This government has responded in assistance to keep our farmers whole during that period of time.

With the drought situation and the progress made at the MTN, we had expected that there would be some relaxation of the subsidies being provided. Unfortunately that is not the case.

We will continue to work very hard at trying to resolve this through the ongoing multilateral negotiations. We are certainly making representations to the European Community and to the United States of America to slow down the pace and to stop the escalation of the price war because it is hurting the total world market.

We will continue to work at the MTN, showing leadership within the Cairns and on a bilateral basis to bring about stability and order to the market-place.

Once again, I repeat, at one time in 1977-1978 the European Community was a major importer of grains and oilseeds. Today, it has become the second largest exporter of grains and oilseeds. It has achieved that market through huge subsidies. The United States has been responding in kind.

If there is not progress during the MTN negotiations, I suspect we can only look forward to an escalation of that price war. That would be disastrous.

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GOODS AND SERVICES TAX

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, my question is for the Minister of Finance.

For the purpose of calculating the goods and services tax, universities and colleges will be treated as one sector and a Canadian average will be calculated. These univer-