

Government Orders

The producers themselves do not have to take any less money in their final payment as a result of there being a deficit in the pool account, if the hon. member follows me.

If the member is talking about deficits or contingent liabilities, that is money owed to the Canadian Wheat Board by sovereign states, or at least by entities backed by sovereign states. If they are unable to pay, the board just borrows more money against that account for which the Government of Canada backs them. I hope that clarifies the difference between a contingent liability and a deficit.

If the member is asking how do we arrive at a number as far as a contingent liability, I think it is simply a matter of arithmetic. As to how we arrive at the levels of credit that are available to each country, we have a committee of ministers which look at various countries in conjunction with the board, looking at projected sales for a given period of time. Then we establish regular lines of credit that the board is able to use.

It is the same for other non-board commodities. The board works with the Export Development Corporation, EDC. Again, this is not concessional credit. This is commercial credit on reasonable terms. I think the most we have gone, as far as length, is three years.

This review process goes on on an annual basis. It is reviewed regularly each year. If there is a need to adjust for whatever reason, either up or down, throughout that year we have a provision made to have a turnaround quite quickly so that the system itself does not encumber the board, or anyone who is dealing with EDC for that matter, if they have an impending sale for which they need to have some adjustments in their over-all credit.

Mr. Foster: Mr. Speaker, I was very impressed with the minister's comments with regard to international co-operation. I do not want to even use the words international grains agreement because it has a bad history.

If the GATT agreement falls apart this fall and we do not succeed, it will be a disaster for everyone in every way, both in the supply managed industries and in the grains and oilseeds industry. It seems to me that there has to be room somehow for international co-operation.

• (1540)

In 1983 the price of a barrel of oil was about \$2 and the price of a bushel of wheat was around \$2. The oil producers around the world organized themselves and they are getting \$20 or \$23 a barrel for their oil. Canadian farmers and farmers around the world are getting only \$2 a bushel, the same as it was almost 20 years ago.

It seems to me that if the GATT negotiations are not successful this fall, we need to look at ways in which we can co-operate in supplying food aid to the nations and peoples around the world, and some way of co-operating among the producers. As the minister has already indicated, we have something like a 22 per cent situation with 30 or 40 days of wheat in the world. I was very encouraged by his comments in that regard.

I hope there will be ongoing discussions in the Wheat Board, External Affairs and CIDA as to what kind of co-operation there could be on aid, perhaps at the international level with the trade ministers, as to what there could be in co-operation.

During the farm financial crisis this summer, one of the issues that has been raised time and time again by the Ontario Federation of Agriculture and the wheat, grain and oilseeds producers, the soybean and corn producers, has been that they do not have the same level of export credit arrangements that producers in western Canada have under the Canadian Wheat Board Act.

This is a very important issue for them. They have to go through the Export Development Corporation or some other agency of government which apparently does not have much flexibility and as much value to them as the Wheat Board has.

Granted, the Wheat Board takes possession. It sells the wheat. It is a much simpler type of situation, but it seems to me that in tight markets and in tight situations such as the one which we are facing now with the cost of production, with the cost of many grains and oilseeds at half or two-thirds the cost of production, that we should be giving every possible tool to these producers in eastern Canada.

I wonder if the minister is looking, since he is the Minister of State for Grains and Oilseeds for the entire country and not just for the Wheat Board, at improving those techniques and those instruments that are