

included, federal transfers to the provinces which could be used to help fund health care were \$28 billion in 1991-92.

### CANADA-UNITED STATES FREE TRADE

#### MEASURES TO LIMIT BENEFITS OF CROSS-BORDER SHOPPING— GOVERNMENT POLICY

(Response to question raised by the Hon. Royce Frith on February 13, 1992)

The Free Trade Agreement is to be phased in over the period of ten years thus, a complete verification of Mr. Andre's statement of 1987 is not available at this time. However, it is possible to outline some of the benefits the FTA has so far provided to Canadian consumers.

It is estimated that the first two rounds, under the FTA, of tariff acceleration on U.S. imports has resulted in approximately \$122 million in lost revenues to the federal government— revenue that has gone instead to Canadian companies and consumers. Round 1: Approximately \$100 million in duties foregone. Round 2: approximately \$22 million in duties foregone. Round 3 is currently under way, with over 260 industry submissions being considered for early tariff reduction.

Some examples are provided below to highlight what the reduction of tariff levels mean in terms of consumer savings.

	Item Tariff—	Retail price( - )
		(Consumers Dist.)
telephone answering machines	8%	4%
curling irons	10.3%	6.5%
rice cookers	10.3%	10%
basketballs	11.3%	10%

The Consumer Price Index is beginning to reveal the positive impact of the FTA in its yearly figures.

1989	5.5
1990	4.4
*1991	5.6
1992	2.2
1993	2.2

\*This increase due to the Implementation of the GST, but has since worked through the system and is no longer an inflationary factor.

### NEWFOUNDLAND

#### 10TH ANNIVERSARY OF OCEAN RANGER DISASTER—REQUEST FOR LEGISLATION

(Response to question raised by the Hon. Colin Kenny on February 18, 1992)

A bill entitled "An Act to amend the Oil and Gas Production and Conservation Act and other Acts in consequence thereof" (C-58) was given first reading in the House of Commons on February 20, 1992. The objective of this bill is to address all outstanding recommendations

[Senator Lynch-Staunton.]

of the Hickman Royal Commission on the Ocean Ranger Marine Disaster, which investigated the events leading to the loss of the drilling unit.

### AGRICULTURE

#### FEDERAL SUPPORT FOR GRAINS SECTOR—GOVERNMENT POSITION

(Response to question raised by the Hon. H.A. Olson on February 28, 1992)

Of the \$800 million in emergency assistance for agricultural producers under the Farm Support and Adjustment Measures II (FSAM II) program, \$700 million is directed to grains and oilseeds producers across Canada and \$100 million is for other sectors.

By December 31, 1991, \$115 million had already been paid to Prairie grains and oilseeds producers; by March 31, 1992, an estimated \$308 million will have been paid to complete the first payment instalment. A second instalment of \$266 million will be paid beginning in April, for a total of \$574 million.

Payment of the first instalment of \$1.1 million to grains and oilseeds producers in the Atlantic region began in February. A second instalment of \$0.9 million will be paid beginning in April, for a total of \$2 million.

The FSAM II payment for grains and oilseeds producers in Québec is \$27 million.

FSAM II payments of \$97 million for grains and oilseeds producers in Ontario and British Columbia are being made in two instalments; mailing of cheques for the first instalment, forecast at approximately \$38 million, began in February. The remainder will be paid in a second instalment beginning in April.

The method of delivery of FSAM II to grains and oilseeds producers varies according to the circumstances of each region. This accounts for the differing timing of delivery.

For the Prairies, payment is based on Canadian Wheat Board (CWB) permit book data in 1990/91. A first instalment of \$5 per seeded acre has been made; a final instalment will also include a payment on eligible forage and summerfallow at a rate of 25% of the payment on seeded acres.

For British Columbia and Ontario, payments are being made in two instalments using the data base collected under the Net Income Stabilization Account (NISA).

Québec has already assisted producers through their existing stabilization program; FSAM II funds will reimburse the province's stabilization fund.

For the Atlantic provinces, payments are being made in two instalments, based on seeded acres. The payment level will vary depending on the crop.