

response to the question raised by the hon. member that our department did not have authority over monetary policy. In fact, the Liberal Party helped create this department and organize it in such a way that the department would work together with the provinces to develop programs and better technologies to improve and protect our forests. Furthermore, our program's entire policy is based on sustainable development, within the jurisdiction of the Department of Forestry.

Of course, the hon. member's question had a budgetary aspect, and I may remind him that our government's policy has borne fruit, insofar as we have been able to control inflation.

I may remind the hon. member that in the early 80s when the Liberal Party was in power, it was decided that the Department of Finance would let inflation run its course. We saw exactly what happened: inflation soared out of control. When the Minister of Finance at the time realized he could no longer control inflation, he started increasing interest rates. The result, Mr. Speaker, was far more disastrous than the present situation.

Obviously, there are problems as a result of the present state of the economy in this country and throughout the world. Interest rates are a problem as well. However, I may remind the hon. member that in 1984, when we were elected, we signed federal-provincial agreements on forestry development with each province. These agreements totalled over \$1.750 million, on average, for each province. The new Department of Forestry has worked with each minister to develop the concept of sustainable development, which will help the industry to survive. With New Brunswick, for instance, we have signed a new agreement on forestry development. We have made proposals to each of the provinces on ways to renew agreements that would help alleviate economic problems but also help the industry, the provinces and governments to get through this difficult time and provide present and future workers with jobs in a forestry sector that would be based on the sustainable development of a renewable resource.

### *Adjournment Debate*

[English]

#### AGRICULTURE

**Mr. Vic Althouse (Mackenzie):** Mr. Speaker, on March 6 I raised one in a series of questions directed to the Deputy Prime Minister who is also the Minister of Agriculture.

I asked him to give the House the details of what he called the drought assistance program and what the rest of us thought should have been called a farm income assistance program.

There was a shortfall in excess of \$1 billion on income which he admitted was, in part, due to subsidization levels from the Europeans and the Americans. While there has been half a billion dollar payment made which is in the pockets of the creditors of most of the farmers across Canada, the situation has not changed greatly.

• (1810)

Mr. Speaker, when you look at the answer the minister gave, you will see that the situation has worsened considerably. In his response to me he said that the government is prepared to assist again, but reminds the House that the level of enhancement has been reduced quite substantially, enhancement being the subsidies paid by the Europeans and the Americans to customers in order to entice them to buy their grain.

He reported in March that the Europeans had dropped their enhancement programs from \$200 a tonne to the neighbourhood of \$80 per tonne and that the United States had dropped their export enhancement program to about \$20 per tonne. He was expecting grain prices to continue to rise, because they had risen, as he says, by roughly 50 per cent.

Many things have happened since March 6. Europeans are still using the enhancement program of about \$80 per tonne. They completed a sale to Tunisia recently at about \$81 U.S. a tonne. However, instead of being at the \$20 per tonne level, the United States has surpassed \$53 per tonne. In some of the recorded transactions, they are reported to have gone up as high as \$58 a tonne.

Meanwhile, at the beginning of the new crop year in western Canada, Canadian Wheat Board initial prices for No. 1 wheat at the elevator came in on August 1 at 22