

the west, of barley. The beef industry is concerned that the program may redistribute the acreage, for example, to crops other than barley, therefore creating a shortage in barley, increasing the price of barley on the open market, and thereby increasing the cost of their production.

Forage seed growers have concerns as well. There is no question, as I said before, that the banking industry is happy, and rightfully so. I can tell you from experience that this program serves a very worth-while purpose because an individual can go to a bank manager and say, "Madam, or sir, I can guarantee you that this is what my returns will be per acre." That has not been possible for farm producers, for agriculture producers in the past. That part of it is good.

My real concern, and I am sincere on this, is about what we are going to do with this type of program in the long run. We are all sincere, we are all trying to do our best. I am not sure that enough study has been given and time has been taken to look at the long term. It is going to do the job this year and next year. The government has said it will put money into the program. I hate to say this, but the government will put money into the program, especially in the next couple of years before there is another federal election, but that is not what is going to dictate the action. The markets are going to dictate it; the uncertainty about what is happening in GATT; the impossibility at the present time of settling things at GATT.

The discussions for a GATT settlement that we hoped would happen by December 1, 1990 may go on for another couple of years. If it does go on for another couple of years, we know the trade games and the subsidy games that are going to be played between those two big treasuries that we cannot compete with, the European Community and the United States. As a country, we just cannot play in that game. If we cannot play in that game, it will depress prices and on and on, which means these types of programs are going to have higher than ever pay-outs. We are going to have to make those. They are going to be needed. It is going to keep us going in the short term, there is no question about that.

Unfortunately, what has always been and may always be throughout the world is that the primary producers are kind of "next-year" people. Hopefully, this can be the beginning of a type of program or a combination of

Government Orders

programs that can be worked on, monitored, pushed and poked over the next number of years so that producers can get more out of their products, so that they are not just living hand to mouth for 12 months, hoping to get through until the next year.

Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Madam Speaker, I would just like to have the hon. member make a comment or two.

He spoke briefly about the moral hazard of the program. Farmers will be making decisions as a result of the program, switching acreage, and probably bringing marginal land into production. Is that not a self-defeating purpose? I do not believe that farmers look at the program that way. They are looking for a bankable program, with long-term objectives in mind. Any program has the risk of moral hazard. Is the hon. member saying that the programs are being funded with too much money and that the programs are too rich, allowing this to happen?

Mr. Vanclief: Madam Speaker, I want to remind my colleague that I said I did not like to see that type of thing happen, but in reality that is what, according to what I am being told on the concessions, is happening. Because of the financial situations that individual farmers may very well be in and their sector of the industry may very well be in, they have to look, as any business person has to, at what is the best and easiest way to come up with the biggest figure in the bottom right hand corner of the balance sheet for this year. In reality, that is what is happening. Even though, as I said, and I hope I made it very clear, that is not what they should be doing. They know they should not be looking at it that way, but they are forced into doing that.

As far as investment in the program, I am not saying and I did not say, that there are too many dollars going into the program. What I am saying and what I did say, is that the dollars that will go in there have to be monitored. We have to be able to explain to all Canadians why they are needed and we have to justify—as anyone does, as any government does, as any parliamentarian does—the actions. I think we have to do a better job, as a department, as a government, as opposition members, as players in the industry, of explaining to Canadians why it is there.