

becoming a major importer of grains to becoming the world's second largest exporter of grains. It has done it largely through the use of subsidies that have distorted world markets.

This brings into question the issue that the MTN negotiations currently under way are very important. We have to be a part of that process to ensure that the trade-distorting subsidies that are in place will be ratcheted down so that we can again achieve a more level playing field which will allow us to compete more favourably in international markets.

**Hon. Lloyd Axworthy (Winnipeg South Centre):** Mr. Speaker, there is a trade war being waged on the borders of this country by U.S. inspectors who are stopping meat exports from going into that country.

I think Canadian farmers will want to know specifically what the plan of action of this government is. Can the minister tell us when this government will undertake action to retaliate against the use by the United States of an increase of its Export Enhancement Program which is supplanting grain markets for Canadian farmers?

Can the minister tell us when we will take action to stop the border harassment by U.S. customs inspectors?

Will the minister tell us explicitly when he will take action to repair the bleeding away of our farm marketing boards under the yogurt and ice cream measures that were initiated by the United States?

When is this government going to stop using camouflage and smoke screens and start taking action to stop the bleeding away of the Canadian farm industry?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture):** Mr. Speaker, I find it rather strange that the hon. member gets on to this subject after I made a speech in Toronto raising the issue and indicating that we were not going to sit idly by and allow this to happen.

We are taking the initiative and there are corresponding actions that can be taken. We have advised the Americans that we will do that.

### *Oral Questions*

What we have seen is a willingness on the part of the administration to recognize the problem that exists. There are some difficulties they have in terms of resolving the issue.

I am confident that it will be resolved. I indicated directly to Secretary of Agriculture Yeutter and, indeed, to the Ambassador that we can always provide reciprocal action. We can do the same kind of inspections as they are doing, which would not serve the long-term interests of trade between our two countries.

**Mr. Maurice Foster (Algoma):** Mr. Speaker, last week the Secretary of Agriculture of the United States said that we have just seen the beginning of the use of the Export Enhancement Program by increasing it by almost 300 per cent to \$900 million.

Does the minister know that this is destroying our markets abroad and that it is destroying the world price for grain? Can the minister say when the government is going to invoke Article 701.4 of the free trade deal and demand that the U.S. stop harassing our markets abroad?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture):** Mr. Speaker, not to condone the use of the Export Enhancement Program, may I just point out to the hon. member that the figure to which he is referring is really \$900 million and that it is for 1991, and not 1990. The original figure asked for, for 1990, was \$1 billion and Congress approved \$566 million.

What we have here is clearly a signal to the European Community that unless there is some progress made at the MTN in bringing down the level of trade distorting subsidies, the price war, the trade war will continue.

It is in our interest to ensure that success and progress is made at the MTN. Clearly, Article 701 of the free trade agreement to which the hon. member refers is a possible course of action. We are examining it, plus the fact that we have made direct representations to the Americans indicating that in the process of this trade war that continues, Canada gets sideswiped in the action, as do other countries such as Australia.