

Adjournment Debate

Agriculture said that he would know the amount soon. In response to a question which I put, he said that the payment would be made no later than the end of March, and that if everything went smoothly it could be possible.

The fact of the matter is that this is a substantial amount of money to which the farmers of Canada are entitled. Saskatchewan economists have found that the amount of money payable to prairie farmers alone should be \$117.5 million. It is important for this money to be received now by western farmers and by farmers across Canada to help meet the cash flow problems associated with spring operations.

In conclusion, I say that the responses of the Minister of Agriculture have been unsatisfactory. He tried to explain it by saying that farmers did not want the money to be shown in their incomes for 1980. Of course, the excuse could now be used that they do not want the money to be shown in their incomes for 1981. Do we have to wait until 1984 until we receive any kind of response from the government? When can they expect this money? Western farmers want to know.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, on January 4, 1980, in response to U.S.S.R. military intervention in Afghanistan, the United States announced it was imposing a number of economic sanctions against the U.S.S.R. The United States government met with other major grain exporters to seek their support. Canada in support of the American action agreed to restrict its shipment of grain to the U.S.S.R. to a level which was regarded as normal and traditional.

When the decision of the Canadian government to join in restricting exports of grain to the U.S.S.R. was announced, the prime minister of the day, the Right Hon. Leader of the Opposition (Mr. Clark), announced that Canadian grain producers would be compensated for losses arising out of actions taken by the Canadian and United States governments. Subsequently, the present government made a public commitment, which has been repeated on several occasions, to compensate grain producers for losses in income which can be legitimately attributed to government actions to restrict grain shipments to the U.S.S.R. below normal levels.

By restricting shipments to the U.S.S.R., extra supplies of grain accumulated in the rest of the world and this tended to depress prices. These price-depressing effects were offset by

United States' decisions to remove some grain from the market through purchases by the Commodity Credit Corporation and by allowing more grain to enter the farmer reserves program.

Any Canadian losses due to the embargo can be divided into two categories, namely, losses in volume of sales and losses in price. Given the commitment of the government to which I have already referred, an interdepartmental committee was established to examine the basis upon which compensation was to be determined, the amount to be paid, and the method of payment. In addition, a number of other agencies and institutions have made estimates of the losses incurred by Canadian producers, and these estimates have been examined by the committee. The analysis of this issue took longer than we originally thought. Much of the data required for the analysis was not immediately available. As hon. members will appreciate, the problem is an extremely complex one and many other factors affected the market during this period, in addition to the embargo.

● (2230)

This means that the measurement of the impact of the embargo on grain prices was very difficult. The other factors which have influenced world grain markets since the embargo was announced on January 4, 1980, include higher interest rates—which increase the cost of holding grain inventories—early expectations of large grain crops in 1980-81 in the United States and the world, and the appreciation of the United States dollar against other major currencies.

At present, the interdepartmental committee has completed its work and a full report has been prepared. This report has been brought before cabinet by the Minister of Agriculture (Mr. Whelan), and the minister responsible for the Canadian Wheat Board. Cabinet is currently in the process of considering this memorandum and—

The Acting Speaker (Mr. Blaker): The hon. parliamentary secretary will know that I regret having to interrupt him. I have had to do it before and I am sorry, but the rules relating to the adjournment motion are very strict indeed.

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock.

At 10.31 p.m. the House adjourned, without question put, pursuant to Standing Order.