

Supply

I would like to take this opportunity to comment on the Saskatchewan situation. Our Premier, Grant Devine, faced with a debt burden caused during a disastrous decline in world prices for oil, potash, uranium and agricultural products certainly has a tough role to fulfil as is his commitment to the Saskatchewan farmer.

I believe our conditions for a cost-sharing program caused his job to be most challenging. Saskatchewan agriculture will stand to gain more agricultural dollars than any other province in Canada, but at what cost?

That is the difficult question that remains to be answered. However, given Grant Devine's proven ability and the fact that he certainly is no quitter, I am confident that whatever deal he makes with us will be sound and meaningful.

No one is comfortable with the time that this matter has taken to resolve, hence one should appreciate how difficult this problem really is.

By seeking matching funding from the provinces, this government hopes to put even more money in farmers' hands. If the provinces choose to match our \$500 million, a total of \$1 billion will be available to Canadian farmers in this crop year. This would bring farm income in 1990-1991 in line with the five-year average. Clearly the federal government is willing to do its part to ease the financial problems facing Canadian farmers.

But as we come to grips with the problems now facing our farmers, we cannot lose sight of the long-term picture. That is one of the reasons why our Deputy Prime Minister and Minister of Agriculture is leading our agri-food industry through a major policy review. It is the most extensive review of agri-food policy ever undertaken in this country and it involves all the facets of this vital and dynamic industry.

Several government industry groups are at work to ensure our agri-food industry is well positioned to respond to an increasingly competitive world marketplace and can keep pace with rapidly changing consumer demands and technological developments. At the same time we want to maintain our record for safe nutritious food and meet the challenges of increasing environmental awareness.

We also want our producers to have the farm support programs they need. We want to establish programs that are more predictable and permanent. We want to establish an agricultural framework that does not require the *ad hoc* programs that now need to be designed to respond to the crises and difficulties that we experience in agriculture.

Already, for example, we have improved the crop insurance program. Those improvements are in place for this crop year and are the result of extensive consultation with producers and our provincial counterparts.

Both producers and governments need to be operating in a more predictable environment. Canadian producers need security in making their business plans, and governments need security in setting their budgets.

Through the policy review, the grains safety net committee has been working on policy options for a national safety net program for grains and oilseeds. That program has been discussed with federal and provincial agriculture ministers and is being designed to be compatible with a long-term, comprehensive, safety net plan for all commodities and producers.

A federal provincial group is looking at long term safety nets. Its work will be discussed at a meeting of federal and provincial agriculture ministers in Moncton in August this year. The ministers will also be discussing the work of the other policy review working groups. Those groups are putting various policy areas under the microscope. These policy areas include supply management, transportation, competitiveness, sustainable agriculture, food safety, farm finance and management, pesticide registration, research and technology and inter-provincial trade barriers.

These groups will be coming up with new policy options which will be weighed against the vision the federal and provincial governments share for the future of Canadian agriculture. That vision rests on four pillars; policy that recognizes regional diversity, increased environmental sustainability, greater self-reliance and more market responsiveness.

These new policy options will take into account regional strengths and advantages. Each region will be encouraged to produce what it can produce and market most efficiently. They will also ensure our food production practices are compatible with the need to protect the environment and conserve our natural resources.