

Supply

The second point raised in the motion concerns interest rates. I think everyone on both sides of this House would agree that the worst enemy of agriculture was the rapidly escalating interest rates of the early 1980s which put a great many farmers with floating interest rate mortgages into the mess they are in today. When this Government was elected in 1984 it took action to correct these problems. The Farm Credit Corporation had a large number of customers locked into high interest rates. The Minister of Agriculture managed to persuade the Cabinet to waive the rules so that the effective interest rate for those people was reduced to 12 per cent.

This Government has done other things to help the farm community. First we had the introduction of a shared risk mortgage program which allowed the farmer to reduce the risk of carrying his mortgage. He shares the risk with the Government. In bad times the Government absorbs part of his loss. In good times, he pays some of it back.

The second change implemented by the Minister of Agriculture was a moratorium on FCC mortgage foreclosures. One Member opposite said the situation is a disaster. I would be the last one to try and play down the seriousness of the situation facing Canadian farmers today. However, I want to point out that there were less farm bankruptcies in 1985 than there were in 1984 under the previous Government.

Lastly, this Government introduced the commodity-based mortgage. I am the first to admit there has been a great amount of confusion and misunderstanding in the country concerning this move. The Minister of Agriculture made a commitment that if changes were needed in that program, he would see they were brought in. To me that seems more than fair.

I would now like to move to the third part of the motion which deals with trade. Most of the concern raised by opposition Members has dealt with bilateral negotiations with the U.S. There is some concern as well over the upcoming comprehensive negotiations under GATT. It is my belief that this Government has put together the best trained negotiating team this country has ever had for both rounds of negotiations.

The Canadian farming community has no apologies to make to anyone. We feed our population as cheaply as any country in the world. We do a lot of things in Canada and do them well. It bothers me somewhat to hear the doomers and gloomers saying that we cannot compete. Many parts of our agricultural industry have been competing with the Americans with a wide open border for years. Over the last 25 years Canadian cattle producers have in effect had an open border with the U.S. For all those years Canadian beef producers have been winners. The pork industry has been in the same position, and in 22 of those 25 years we have been winners.

I think the major concern of a great number of people in our farming community is the recent action in the form of protectionist measures in the U.S. They have been a concern to us all. However, this Government is committed to having everything on the table. It is our belief that is the only way we

can get a truly meaningful negotiation going. However, there has been a commitment by this Government that farm commodities will be negotiated commodity-by-commodity.

It has been said that this Government does not have a commitment to its farmers. Obviously that is not the case. Just today a release came across my desk which said that Canada will host a meeting of the major grain exporters of this world to try and resolve some of the major problems facing grain exporting nations. Right from our election in September of 1984 the Government recognized agriculture as a top priority. Despite severe budgetary restraints, we have been able to announce farm measures worth almost \$4 billion, of which \$1.5 billion have gone directly to western farmers.

I think the Canadian farm community has shown a great deal of understanding for the plight encountered by our western colleagues who were hit not only by drought but by low prices and grasshoppers to boot. In February, when the Budget stressed the need to cut back in all areas of spending, this Government recognized the plight of our farmers and announced a \$195 million farm relief package. On April 30 the Prime Minister took a lead role in addressing the concerns of Canadian farmers, and I want to go through some of the things he promised to leaders of all major farm groups in this country. He promised an increase in the price range of domestic wheat for human consumption, rising from \$5 to \$7 to a range of \$6 to \$11. The farmers' share of grain freight rates was frozen for the 1986-87 season. All federal sales and excise taxes on diesel and gasoline for farm use were effectively removed through an increase in the federal rebate on federal fuel taxes. I urge all Members to co-operate in streamlining this so that hopefully the Government will be able to totally eliminate the rebate program and rid the farm community of a bureaucratic mess that has existed for years.

• (1610)

As was mentioned earlier, the Government will make every effort to pass farm debt review legislation before the House rises for the summer.

I want to address the impact of the U.S. Farm Bill and what the Government will do to try to counteract that impact. Canadian farmers are efficient, productive and quality conscious. Western wheat producers must be, because 80 per cent of their production goes off shore. As a result, they are most vulnerable to world market prices.

The unfortunate aspect of the dilemma facing our producers is that the problem is not of their own doing. Our farmers are the innocent victims of the costly madness of subsidies which has gripped the European Economic Community and, in response, the United States.

Canadian farmers are not competing with farmers of other nations. If we were, I can assure you that we would not have a fear in the world. The fact is that our farmers are competing with the treasuries of other nations, particularly those of the EEC. The respected forecasting firm of Chase Econometrics