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States which fails to resolve the problems of agriculture and at the same time protects the nuclear industry. Why does he take strong action when it comes to the nuclear industry and sell out farmers? Why is he supporting a trade deal which fails to resolve the subsidy war that is destroying agriculture in Canada? I challenge the Minister to answer that question. He can only yell from his seat.

Mr. Foster: Mr. Chairman, I wonder whether the Minister could respond to a couple of questions.

Clearly there was strong criticism of the Government's mechanism for establishing the Special Canadian Grains Program by Ralph Jespersen, the President of Unifarm in Alberta, when he debated it with the Deputy Prime Minister a couple of weeks ago. Could the Minister outline the reasons for rejecting the proposal made by members of the Canadian Federation of Agriculture from western Canada to base the acreage on seeded acreage rather than use planted acreage for several years? I think the argument was that the seeded acreage for this crop year encouraged farmers to do what one of the Minister's colleagues on the government side has described as "recreational seeding". Be that as it may, this responsible group recommended another basis for providing benefits rather than the one adopted by the Government which seems to encourage the planting of greater acreage and potentially could lead to abuse.

Essentially that same argument or a similar one was made by soybean growers in Ontario. Of course the incredibly small payment of one cent per bushel was a strange arrangement.

Could the Minister tell us why the current year seeded acreage arrangement was used when some farm groups, especially those in Alberta, were recommending planted acreage over a period of several years?

Another aspect is that about 15 per cent of farmers who are not members of the Western Grain Stabilization Program have indicated concern that some \$750 million of debt was cancelled from that program. They feel that that should have been done on a universal basis. There may have been other reasons for the Government cancelling that debt rather than just to benefit farmers. For instance, how much debt can be paid through a contribution of \$1 by the farmer for every \$2 by the federal Government to a plan where the premiums paid by farmers at the present time are \$600?

Could the Minister respond to those two or three issues which have been raised by various farm groups?

Mr. Mayer: Mr. Chairman, the Hon. Member raised a question about Unifarm. I was not at the meeting, and I have not had a chance to talk with anyone who was there. I am going by the press reports as is, I assume, the Hon. Member. I have two or three things to say in that regard.

We did not ignore the so-called CFA proposal. It was not strictly a CFA proposal *per se* but it was under the auspices of CFA. We used its suggestion on the price side, that we use the

1985 prices as compared with 1987 prices. If the press reports of Mr. Jespersen, the President of Unifarm, are accurate, I do not accept them at all.

If we are to make something market neutral, we must include the reality of what is out there. The reality is that there are special crops and there is summer fallow. In fact we took the CFA proposal and enhanced it.

We have a situation in western Canada—and that is what we are talking about—where there are about 80 million acres of cultivated land, of which approximately 18 million acres are in summer fallow. I would take the exact arguments the Hon. Member makes and turn them around. If we had not included summer fallow, which is a reality to the extent the acreage payment is an incentive for people to do something, it would encourage so-called "recreational seeding". You could have people, if they are going to get \$12 or \$15 an acre, taking a drill, running in a bushel of oats calling it seeded, or running in a bushel of wheat per acre and calling it a seeded acre and then collecting the payment on it. By including special crops, by including summer fallow, in my view, you make it as market neutral as you possibly can.

• (1230)

We certainly did not ignore the CFA proposal. We took it as a foundation and a fundamental and we built on it. We had many discussions with farmers in the Prairie region on this very issue. We talked with them about what they thought of summer fallow and what level would be reasonable in terms of their costs of working an acre of summer fallow as opposed to seeding an acre of wheat or barley. What was the split? We got figures from 25 per cent to 40 per cent or 50 per cent. Hence we made a judgment call and included summer fallow at the rate of one-third of the amount of money that an acre adjacent to it would get if that acre were seeded to wheat, barley, canola or whatever.

To recap, Mr. Chairman, we took the CFA proposal, added to it and, in doing so, made it much more market neutral. Outside of Mr. Jespersen, to whom I have not spoken and to whom I would like to speak to on this issue—perhaps I will have a chance—I have not heard any criticism that we are including summer fallow and special crops.

The Member talks about soybeans and the soybean growers concern. There is no question about that. We must accept the fact, as the Hon. Member did when he spoke, that the main problem we are facing is a result of the U.S. farm Bill which came into effect in 1985. What we are trying to do in this program is address the hurt or the drop in the market-place since 1985. The reason there is a very small payment for soybeans is that in 1985 the crop returned \$244.95 a tonne. Those are the figures. We estimate that for the 1987 crop, producers will receive \$243.80. In other words, it is \$1.15 a tonne less for the 1987 crop than what they got in 1985. If the Hon. Member follows what is going on in prices, prices for soybeans in Ontario now are considerably higher than that.