

The Address—Mr. Hovdebo

advisory board and strategy board on scientific research, as well as a space agency. If a Government does not want to take action, the best way to guarantee that there is no action is to send these matters to another committee for another study. In this way the Government will not have to take action in these areas for the next two years.

The Government did not mention the question of agriculture in 1984, yet, in 1986, it was the first item in the Speech from the Throne. I congratulate the Government for that because we must not neglect agriculture. However, this first item in the Government's Throne Speech shows the thinness of the mask over the Government's old face. While agriculture should hold a position of great importance in our economy, it is facing the most problems at this time. The agricultural sector provides our country with approximately 50 per cent of our foreign exchange, yet it has the most need for quick action. It became quite obvious to the House, Canadians, farmers and people in many other countries that as a result of the United States Farm Bill, the farm economy in Canada, particularly in grain production, would be in trouble because that Bill would push the prices down. The farm groups knew this and came to us saying that something should be done.

Not only were we in the Opposition aware of these problems, the Government knew of them as well. On March 21, after the Prime Minister's (Mr. Mulroney) visit to President Reagan, he stated in response to my question that they recognized there was a problem with the Farm Bill. Incidentally, that Bill was passed on December 27, 1985, and there was no doubt since then that we were going to have problems with the price of grain across Canada. The Minister stated at that time that they recognized the problems and would give it the highest priority. That was eight months ago. The Prime Minister's response to my question was in March, also several months ago.

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I think the farm community has the right to ask why no action has been taken. Why was there not a plan in place? Why do they yet not know what is going to be done to assist them to survive? The United States Government had in place in the passing of the Farm Bill a structure which gave the farmers of the United States more than \$6 Canadian a bushel for wheat. They knew last December that when they planted grain this spring they would get that amount for their grain in the fall. We knew when we planted our grain this spring we were likely to receive \$2.50 or \$3 Canadian a bushel, half of the guaranteed U.S. price.

The farmers of Europe, who in the last few years, are producing a considerable amount of grain, wheat, canola or rapeseed, as it is called, before they plant their crop, they know what they are going to receive for it. I recognize that some of the problems of overproduction in Europe are directly related to that policy, but we should be able to learn from that policy and put in place some kind of structure in Canada which

would allow the farmers to survive, still be productive and contribute to the economy.

The farmers should be asking, as they are, why was a plan not in place? Compare that with the weekend decision to bail out the bank which was in trouble. On Friday night the bank was in trouble. The announcement was made on Tuesday afternoon that the Government would provide for the two banks what amounted in the end to over \$1 billion. Compare that also to the action taken by previous Governments as well as this Government for large corporations such as Massey-Ferguson and the Chrysler Corporation for loan guarantees. Not only did the U.S. Farm Bill guarantee that we are going to receive a very low price for our grain but almost at the same time the U.S. put in place the BISEP Program which subsidized the export of U.S. grain.

We can argue the pros and cons of why it was done. The suggestion is that it was done to save the markets the U.S. felt it was losing in various parts of the world to the European community. That is probably so, but it did happen to the extent that a ton of wheat, which costs approximately \$200 to produce in Canada, was being delivered to countries such as Egypt and Algeria for approximately \$100 Canadian. In other words, to work in that market, we would have had to sell the grain at half the cost of production. That is a problem which the Government had to face. I appreciate the effort made by the Minister responsible for the Wheat Board in trying to get the rest of the wheat producers of the world, the U.S. and the European Common Market, to recognize the fallacy of their policy. I have assisted wherever possible to get the word out that something needs to be done about the syndrome of subsidies to farm grains.

In the end, what was important was some kind of action which would make it possible for the farmers to survive. Right at the moment in western Canada—and I cannot speak for the rest of the country, but I think it is not that far different—approximately 25 per cent of the farmers who raise grain and depend on the sale of grain for their incomes are in a position where, at the price which is presently being paid for grain, they will not survive another year. Take away 25 per cent of the farmers and you make a big hole in the farm community and the effective rural economy of the Prairies.

The Prime Minister and the Minister of Agriculture (Mr. Wise) in the Speech from the Throne, and after the Speech, suggested they were going to take certain action. I suggest their action is too little and too late. The suggested amount of \$1 billion is less than would be necessary to bring the price of wheat and barley in the prairie provinces only up to the lowest price paid in the United States, or up to the cost of production. It is not even enough to do that. The amount being suggested of \$1 billion is to be divided by the graingrowers right across Canada. And that is right. The \$1 billion, or whatever the Government decides is going to be given, should be divided on the basis of all those people producing grains and affected by the reduction in the price. But it is, as I said, too little and too late.