

removed federal sales and excise taxes from farm fuels. Last year, in the face of grave crisis, we committed one billion dollars to grain producers, under the Special Canadian Grains Programmes. Indeed, not counting that billion dollar expenditure, the budget for the Federal Department of Agriculture last year was 60% higher than it was in the year before the Mulroney Government took office. With all of that spending on Agriculture, our overall fiscal management has been so successful that the interest rates farmers pay are from 4 to 5% lower than they were three years ago. Our calculations are that every one per cent drop in interest rates result in approximately \$240 million dollars for Canadian farmers. These actions are important, and they are only part of the programme for agriculture of the Mulroney Government. The priority of Agriculture in this Government is high and continuing.

But, as I do not need to tell you, the sense of crisis in Canadian agriculture is deep and growing. In Barrhead, and Fort Assiniboine, the price of barley today is in real terms about what it was in the 1930's. Fifty farmers in Manitoba declared bankruptcy in the last year; in Saskatchewan there were forty-five; in Alberta 93; and in Ontario 102. Costs of production continue to climb, as prices drop. A growing number of farmers have to work out to keep their operations growing. Many individual farm families face the prospect of having to get out of agriculture. The problems are complex and no one pretends there are easy solutions, either at home, or internationally.

But there are things we can do, and I want to report to you tonight on some of Canada's international initiatives to restore the strength of Canadian agriculture. They are of four broad kinds.

First, we are seeking access to new markets for Canadian produce. Obviously that includes traditional activities, like seeking and securing an agreement with the USSR to purchase a minimum 25 million tonnes of Canadian grain over the next five years. In fact, even in the highly competitive, subsidized world grain market, our market share increased by almost two percent last year. Price of course, was way down, but it is better to be up in share and down in price than down in both.