

Government Orders

I realize that we are all calling for some sort of *ad hoc* price support program. Would the member look down the road for just a moment and tell us what he thinks the possibilities are of living in a subsidy-free world, given that that same subsidy-free world assumes that somewhere out there there is a free market?

I ask my question given the reports from some parts of the United States with regard to actions on the Chicago Board of Trade concerning soybean futures in particular, and also the indications of massive manipulation by some of the users of the Chicago Board of Trade which is the point at which most world prices are established. Will the member tell us how comfortable he is with having to rely on that to be the methodology whereby price discovery takes place if we do in fact reach this great world that the United States is trying to direct world agriculture into?

Mr. Ferguson: Mr. Speaker, I am delighted to respond to the question which the hon. member has laid out very clearly. When I look at what is happening in the area of price discovery in the market-place I see that that method of price discovery no longer exists. The U.S. Export Enhancement Program that provided \$20.50 a tonne subsidy on the sale of wheat to Russia in January caused our price of wheat here in Canada to drop by \$20.50 a tonne. The Americans actually set our price of wheat; the market-place had nothing to do with it. Our world grain reserves are a low point, yet the prices are held down artificially by such actions.

When I look at what is happening in the area of corn production and the price of corn, the U.S. has an acreage allotment program. That acreage allotment program has been in place for a great many years. Farmers are required to set aside 10 per cent of their acreage, and in return they have a target price. They receive a deficiency payment which is the difference between the market price and the target price. That money will come into the producers' hands this month. They will be able to go ahead and plant their crops for the coming year. The money that comes into their hands is half the deficiency payment, the other half is paid a year from now.

The member also referred to the scandal last summer on the Chicago Board of Trade. I followed that very extensively. Again, it was price manipulation by a few

very large corporations that was not stopped by the proper regulatory authority. It was allowed to continue.

When I look at the method of price determination and then at the actions of this government, which is working hand in hand with the American government to try to bring about an end to the subsidies, I find it hard to find words to describe just what is happening. Perhaps I can refer to a description I heard not long ago as to what is happening to the Canadian farmer. What is happening to the Canadian farmer at the present time is not unlike what Jimmy Bakker did to Jessica Hahn. I think that sums it up very clearly.

• (1840)

The hon. member asked me what we can see down the road. It is up to us as Canadians to set the direction for Canadian agriculture. It is up to us Canadians to show the world that we have the highest quality products in the world. We have maintained our share of the world markets over the years.

I am convinced that we should ignore what is happening to the south of us and go with our own programs which are designed to protect Canadian farmers. We should make food a national security item here in this country, with the large percentage of it produced and processed in this country and forget about that ill-founded trade agreement that gave the Americans our oil, natural gas, water, and is putting adverse pressure on our producers.

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, it is a pleasure to stand in the House today and discuss this very important bill, Bill C-48, which has a tremendous effect on the Canadian farmer and the Canadian institution itself.

As I stop to think about what I would consider some of the most important issues is Canada, it is making sure that businesses, such as all farms are, are given the proper tools and the proper facilities to operate in this society. I honestly believe, without question, that crop insurance is a very, very important tool required to operate.

As I think about crop insurance I have to think about what it does in order to help the Canadian farmer live a much better life, a much more stable existence. It seems