

Mr. Althouse: Mr. Speaker, with regard to the difference between American and Canadian farm incomes, it basically goes back to the differences in marketing systems.

Essentially the U.S. has a closed market in that it pretends to price its products on the open market and sell accordingly. However, it has a large intervention program with deficiency payments. Each year it sets target prices for each of the major crops. When the crop is sold the average difference between the target price and the actual amount collected from the market is simply made up by the U.S. treasury.

To strengthen the competitive edge which the Americans already had, in 1985 they began an export enhancement program which provided cash payments per tonne for every tonne of grain that was exported. The exporter or receiving country could take grain or cash for buying from the Americans.

There have been periods of time when you could get a tonne of grain, slightly lower quality U.S. wheat than is available from Canada, at comparable prices plus the \$80 U.S. per tonne which went with it. It is a little bit like what the car companies have been using lately, only much more interventionist.

As a result, the Americans have attempted to increase their share of the wheat and corn markets in the world. Essentially it has failed because we have an extremely proficient marketing agency in the Canadian Wheat Board. However in order to compete, we have had to reduce our prices by the amount of the export enhancement program.

It puts our farmers approximately \$80 a tonne short of U.S. producers on the export side and we do not have the kind of assistance they get domestically. The war is a very unequal war. The U.S. has an extremely big treasury, granted with a large deficit, but it has decided to put a lot of priority on the farm side.

The other question was where will Canada get the billion dollars. In the short term, the immediate source would be the same place as the Americans are getting their billions, from deficit financing. I think there are a number of places where Canada could raise offsetting funds, either by reducing expenditures such as reviewing some of the expenditures on defence. We are no longer in a cold war.

Supply

• (1030)

We could collect some of the existing taxes as the Auditor General has been pointing out for a number of years. He pointed out in several reports that the pay back for the expenditures made in auditing large corporations would be far greater than the pay back in auditing individuals. Yet Revenue Canada persists in auditing individuals instead of large corporations even though we could collect far more funds from auditing the latter.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I am pleased to participate in this opposition day. This is the first opposition day the New Democratic Party has had in this new session and it was decided to devote it to the difficulties which exist in agriculture.

Certainly the New Democratic Party has been very concerned with these issues and the member for Mackenzie and other members of our caucus have been very active with respect to agricultural issues.

We have a strange and bizarre situation in this country of having spent \$15 billion or \$16 billion in the last few years on direct agricultural payments. At the same time there is a need for emergency relief funds.

It is patently obvious the programs we have in place are simply not meeting the needs of western Canada or agriculture right across this country. In fact the government is out of touch with our farmers. That was made very clear last week when I asked the Prime Minister a question about agricultural programs and he responded by saying that farmers in Saskatchewan adore GRIP. That is what he said.

I do not know where he has been because we had a recent rally in Saskatoon with 13,000 farmers saying they did not like GRIP. They did not like 1991 GRIP; they did not like 1992 GRIP; they do not like Saskatchewan GRIP; they do not like Alberta GRIP; they do not like Manitoba GRIP; they do not like GRIP. I do not know where the Prime Minister is getting his information but he said Saskatchewan farmers adore GRIP. That is wrong.

The Prime Minister and this federal government are abandoning the agricultural field. Until very recently we had three ministers of agriculture in this country. We now have two, but one happens also to be the justice minister.