

*Adjournment Debate*

The press release goes on to outline the fact that farm debt review boards are facing larger numbers of farmers under financial stress and that the price of corn and soybeans this fall will not meet cash flow because the commodity price is below the cost of production.

We have a triple whammy here with drought in many areas of the west and some areas of the east, serious farm debt problems and the problem of very low commodity prices. We are now within two or two and a half months of the planting season and we should not have to wait around for months for the government to make a decision on this.

Every time we raise this matter with the Deputy Prime Minister and with the Prime Minister we are told that they are gathering data, that they are consulting, that they have committees working and that they are considering the matter. In fact, the budget itself has a crippling impact on this because massive amounts of money—several hundreds of millions of dollars—have been taken away in transfer payments to Manitoba, Saskatchewan and Alberta. If the government proposes a cost-shared program with the provinces then it will have that much less financial capacity to carry out a special program of assistance for farmers.

• (1900 )

Of course they have taken away the advance payments, so \$4 million or \$5 million of cash flow was not available this past winter interest-free. It was available at 12.75 per cent interest but not available interest-free as it has been in the past.

The government must stop pussy-footing around and respond to the demands of groups like Ontario Corn Producers, soybean producers, the three prairie pools, and the Saskatchewan, Manitoba and Alberta governments, all of which see a desperate need for an injection of cash into the western grain economy. A crisis has been brought on by these three elements of extended debt, low commodity prices, and the export enhancement program in the United States driving down the world price of grains and wheat while at the same time taking away Canadian markets.

We have a very serious problem facing agriculture in this country. There are a number of additional concerns such as marketing boards and so on, but just dealing with the western and eastern grain industry it is time to act now if the government really wants to see a crop seeded

this year. Moisture levels are very low because of lack of moisture in the fall and this winter. Still, without that cash injection into the economy of Canadian agriculture, there will be extreme difficulty in planting crops this coming spring. Within two or two and a half months of that season, surely that is enough lead time for the government to realize that it is essential to make a commitment now.

I know that the parliamentary secretary is in the House tonight. I know he is committed to agriculture. I know that he will want to announce it unilaterally. He will not want to leave it to the Prime Minister or to the Deputy Prime Minister and Minister of Agriculture. He will want to announce it himself here tonight.

**Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister, President of the Privy Council and Minister of Agriculture):** Mr. Speaker, I do hate to disappoint the hon. member, but I am always very happy to defend the government's record on agricultural trade and support for our farmers in this great country.

The hon. member is partly right when he says that the trade war between the U.S. and the EEC is continuing. We are still pressing the United States to stop using its export enhancement program and the EEC to restrain its use of export restitutions or subsidies. With world prices up there is no need for the export enhancement program so we are urging them both to stop using the programs.

It is also true that the trade war is not nearly as intense as it was a couple of years ago. The U.S. has eased off on export subsidies from a high of \$74 a tonne in 1986 to a level of about \$12 to \$20 a tonne today. At the same time the EEC has reduced its export restitutions from \$185 a tonne to about \$80. In terms of net levels of subsidies there has also been progress.

Australia, for example, has reduced its subsidies by about 33 per cent, the U.S. by 31 per cent, Canada by 27 per cent, the EEC by 24 per cent, and Japan by 4 per cent. There has been some progress notwithstanding the fact that it is not happening as quickly as we would like it to happen.

The Special Canadian Grains Program was put in place in 1986 and 1987 to compensate producers for low world prices caused by the trade war. Since then the world situation has changed. Stocks are low, subsidies are down, and prices have increased to levels well above the levels at the height of the trade war.