

Supply

This year the Europeans, as a result of those very high prices and that per acre subsidy, are going to produce an additional 2.5 million tonnes to be put on the world market when the world market only absorbs about 5 million tonnes each year. The result, very high export subsidies that Europe pays when they export into markets that Canadian farmers compete in.

Quite simply, if our farmers are getting \$70 a tonne and the European farmer is getting \$355 a tonne in addition to a per acre subsidy, they have to export and we have to export. When we go to sell you can see the kind of subsidy that is going to be associated with that export sale from Europe. It is probably \$250 or more dollars a tonne. This is absolutely outrageous. That is the problem we face.

Not only are they surplus in Durum, but the Europeans recently made a sale to China. The selling price was something like \$85 a tonne Canadian. We estimate that the subsidy that went with that export sale was somewhere between \$190 and \$200 a tonne. Compare that to what our farmers are getting and you can see the kind of problem we face.

What we have is a situation where the Europeans believe, for some reason, that they can dump in third markets. Nobody agrees with dumping, which is selling in an export market below the price you sell in your own market. Nobody agrees with that. The Europeans do not agree with that. They take every opportunity they can to assail the Japanese or the Americans, or the Canadians for that matter, when they suspect that we are dumping in their market. Yet, when it comes to third markets, for some reason they think they have a God-given right to continue to do that.

That is what the GATT Round is all about. We absolutely have to address what is going on in these kinds of situations at the GATT Round that is as present still under way.

What the Europeans have done, with these large internal support payments to their farmers is increase their production dramatically so that they now are the second largest exporter—I am not only talking about grain and oilseeds—of sugar in the world, after Cuba. They account, I believe, for over half the exportable products on the dairy side. They are surplus in beef.

They are surplus in pork. They are surplus, as I have said, in Durum and milling wheat. They have done this to totally distort world markets in agricultural trade and hence the situation we find here.

The hon. member for Winnipeg—St. James and I were at a meeting in southern Manitoba, a week ago today as a matter of fact, and there were somewhere around 1,200 farmers there. The farmer is virtually—I use the word “afraid”—he is scared because he does not know what is going to happen. Nobody can survive for very long on \$2 wheat. As I said it is the same price they were receiving 20 years ago for the product they produce. None of us could live today on the kind of salary that we made 20 years ago to bring it forward and have to meet today’s expenses. That is the situation that is out there. What do we do about it? I have several suggestions.

• (1130)

First of all, in response to the member for Algoma when he made the point that if we pass this motion—and I want to conclude and say a few things about the way this motion is worded—I do not think that members should in any way, and I think he said, be honour bound to do what is suggested in the motion.

We have accepted our responsibility on behalf of Canadian farmers in the past and we have every intention of doing as much as we possibly can to keep our farmers in business in the future. Regardless of whether this is a motion that is passed or defeated as far as the opposition is concerned, I think our record speaks pretty loud in terms of the kind of support that we have for our farmers.

There are several things we can do. I understand the concern about the amount of money that should be there to meet the difference if GRIP and NISA had been in place for the previous crop year. I want to suggest that if in fact we were staring \$5 wheat in the face and whatever that means in terms of corn prices or canola prices or soybean prices, I am just using \$2 wheat as a means of pointing out how bad it is across the sector, I do not think there would be nearly the concern about last year’s lack of income. Again, I think we had better be pretty careful about tying it to what GRIP and NISA would have kicked out a year ago because the Department of Agriculture has done some numbers to show that GRIP and NISA would likely have put out less money for the 1990-91