

We have some allies. As we mass our forces against the United States, the European Community and Japan we have Australia on our side, and New Zealand, and Thailand, -- and Zaire which, like other less developed countries, would like to pull itself forward by its natural advantages in agriculture. So we have a strong logical case, some wonderful friends, and, in any trade war, about the same prospect of victory that we in this room might have fielding a pickup team against the Chicago Bears.

Indeed, if one wants to list the ironies in this situation, consider that nations which have been urging starving Africa to build its agricultural base are now creating artificial food surpluses which, at the very least, discourage African agricultural reform. An American Congress which sought to punish Canada for buying sugar from Cuba is now enthusiastically selling cut-rate grain to the Soviet Union. A European community which was established to encourage international cooperation and efficiency does not allow our multilateral institutions, like the GATT, to function and has created a whole new landscape of butter mountains and wine lakes.

But beyond all those ironies is the inescapable fact that everybody is being hurt - producers of food, consumers who must pay higher prices, government treasuries which must fight impossible deficits, and the framework of international order which has been the basis of international economic stability, since the last binge of protectionism, which gave us the Depression.

No one can win a trade war -- indeed Canada can't really afford to fight one. To quote a famous American, "Trade wars, like nuclear wars, shouldn't be fought and will never be won." Obviously, the Government of Canada must continue to provide financial help to our most basic industry, when it is facing its worst siege since the depression. We have committed \$5.2 billion since September 1984 to agriculture initiatives and are looking seriously now at recent proposals concerning an increase in domestic wheat prices, deficiency or stabilization payments for 1986/87 crop year, mechanisms to ensure the two price wheat policy continues to reflect historical regional market shares, mechanisms to ensure the competitive position of Canadian wheat-based product manufacturers. But there are real limits to what we can do on that side. The U.S. and the Community could outspend us easily, even if we didn't carry the burden of the Canadian deficit. If the foundation of world food policy is going to be subsidy, Canada will have real trouble; if the foundation is going to be efficiency, agriculture can become again a mainstay of the Canadian economy.