

Supply

keeps falling because of this stupid competition between the Americans and the Europeans.

The market is not functioning, it cannot function because of political interference by those two large power blocs.

The first few years, all of us said that this would go away, that they could not afford to keep this up forever. They are ruining the whole theory of trade and market economics. In a period of time when we are watching competing ideologies, eventually the market is going to have to be permitted to function.

What we have seen instead is the apparent collapse of the price setting mechanism used in the communist countries, and at the same time, we in rural Canada are living the complete collapse of the market economy that our side was supposed to believe in.

Eventually to the credit of our governments, federal, provincial and local as well as our community groups, have decided to begin to take some action. Many people have been working at this for a decade or more because the whole of the 1980s was faced with the onset of this problem.

In the past year, beginning a bit over a year ago, farm groups and the governments, federal and provincial, worked out a series of safety net proposals which we know by the acronyms GRIP and NISA. They have been discussed in this House, so I do not think I have to explain what they are to the crowd which is here this morning.

Those programs were in place at the beginning of this crop year which began August 1, 1991. In the euphoria of looking to the future and preparing future programs, one of the side effects has been that the crop year 1990-91, which ended on July 31, has tended to be forgotten.

There is a net income shortfall of something over \$1 billion at the present time. That income shortfall has meant, according to witnesses we had before the agriculture committee, that net farm incomes in the grains and oilseeds sector will be something under \$6,500 per farm family in that crop year. There were some areas and some farms that had a more positive income, but that is the average. And when you look at a range of poverty levels running from about \$18,000 to \$22,000, depending on the number of children in a family and the region the family lives in, that is a devastatingly depressing statistic, Madam Speaker.

The agriculture committee was attempting to have a new focus on the third line of defence with their motion that is now before us here today. The third line of defence was what was being discussed as a last option, a last measure, an emergency measure almost, when the effects of normal government programs do not work in providing incomes to rural communities.

We think that is the case in 1990-91, that a special measure has to be introduced for that crop year. There has been some talk and some action along those lines, but the committee is aware that the announcements up to this point simply deal with ameliorating programs that had to be announced last spring. I speak specifically of the program to reduce the GRIP premiums and to provide a NISA payment for the year just past. The NISA payment is appreciated, the reduction in the GRIP premiums is appreciated, but from the farmers' point of view that reduction in the GRIP premium was simply a reduction to an expense that they had not budgeted for.

GRIP premiums will make up between 10 or 15 per cent additional costs per acre for most farmers in the season just completed. There will be no advantage from those payments until the following year—which is sort of normal in agricultural circles—but it is an expense that is tied to that tax year and that calendar year and that is the tax year and the calendar year that is already, as I have pointed out, short more than a billion dollars.

It is that gap that I and my colleagues from the agriculture committee and from my party are urging the House today to address, to have the government address that income gap before it becomes ancient history and the trail gets too cold. The farm communities and those rural towns and villages are hurting so much that they cannot drag an additional billion dollars plus of debt into the coming crop year. Things are not going to be that good financially, given the current set of projections that they can add even further debt loads to the small business community and to the farmers.

I hear from my friends and neighbours in the small business community terrible horror stories of relatively small businesses being left with outstanding accounts of \$100,000, \$200,000, \$300,000 which they see no prospects of collecting. They carry them on the books so they can keep the bankers satisfied that they are still running a viable business, can keep their credit rating, and can keep the doors open. In this way, they do not have to abandon their house and take their kids to some other