

[English]

AGRICULTURE

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, my question is for the Minister of Agriculture.

Last week, President Bush announced a \$1 billion increase in wheat subsidies that will drive down world wheat prices and further hurt western farmers. By the way, it is also a violation of the free trade agreement.

Now the minister for grains says the Bush move is, and I quote: "tantamount to a declaration of war on Canadian farmers". The minister has failed to say how he is going to fight back.

Maybe that is because he does not want to upset the Prime Minister's good friend, George Bush, thereby distracting Bush in the current presidential campaign.

What has the minister done, if anything, in the face of this latest trade provocation?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I am sure my colleague, the minister of grains and oilseeds, will be disappointed that he cannot reply as requested.

The hon. member states the obvious. The declaration of an enhancement of the export policy by the United States is harmful not just to Canadian grain producers but to the Australians, the Argentinians and to all of those countries which live by export.

The hon. member asks what Canada has done. I draw to his attention that in the letter that my colleague and I sent to the U.S. Secretary of Agriculture, Mr. Edward Madigan, we have requested consultations given U.S. obligations under section 701.4 of the free trade agreement. We intend as we have in the past to draw to the attention of the Americans that they are not gaining markets. They are spending their taxpayers' dollars in areas where it is not beneficial and they are harming the friends and allies.

If they wish to attack the Europeans and their trade-distorting subsidies that started this silliness, they can join with Canada. My colleague, the Minister of State for Grains and Oilseeds, is in the process of arranging at a

Oral Questions

meeting with the Argentinians and the Australians so that we can tackle this problem together.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, according to the minister of grains, the Americans declare a war and what does this government do? It consults.

Perhaps one way of defending Canadian farmers is to take this issue to GATT. Australia has already said it is going to take this issue before GATT and has invited this government to join it.

It is apparent that the Australians will not take this issue lying down, but it is all too clear that this government will not under any circumstances upset or take on George Bush.

Is the minister going to do anything at all or is he just going to let down the Canadian farmers once again?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, we have seen the response of that member and his party when it comes to war and so has the Canadian public.

The hon. member asks what the Government of Canada has done. In 1991-92, the Government of Canada and the provinces, all governments, put together a package that cost the taxpayers \$1.2 billion, federally and provincially, to support safety nets. In 1991-92, almost \$1 billion was put forward to support producers and revenue shortfall. In NISA in 1991-92, over \$316 million was put together to support producers.

We are taking the steps that we can to support producers. If the hon. member had heard my answer to his first question, he would find that Canada, Australia and Argentina are meeting to consider taking action under GATT which we are allowed under GATT law. We are also considering the option of taking steps under the free trade agreement, a free trade agreement that only Canada has the opportunity to take action under, not Australia and not Argentina.

I also draw to his attention that when the Americans announced the countries that were eligible, Mexico had been not included this year although Mexico had been included in the past. The reason that Mexico is not included is the North American free trade agreement.