

planned and used this time to again make excuses for the U.S. Government. He said: "I think we should at least applaud the U.S. direction rather than what the EEC is trying to do".

● (1825)

Those billions of dollars in subsidies will help to collapse the international commodity market. The prices of many agricultural commodities are already too low. Our greatest concern here is that the Government which is proposing to put this \$52 billion into subsidies is the Government of the country we are now wooing for a free trade agreement.

The Minister would not comment upon the effect cheap grain would have on our market. I hope that he will investigate the effect a \$1.30 bushel of grain available on the open market will have coming into Canada. I hope he will consider the effect a \$1.92 bushel of corn will have coming into the feed markets of Canada. If we have an open border, and if those grains can come in at those prices, then we cannot compete with those grains.

I hope the Minister will look at this matter before he opens up a free access agreement with the United States. American officials admit that we will be competing with their Treasury and not with their agricultural producers. Those subsidies will keep those producers producing. What I am saying is that the Minister should quit excusing the United States and put in place a plan which will protect our producers from these unfair marketing practices.

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I do not think the Hon. Member has pointed out everything which is happening with the U.S. market. While speaking about some Bills which are before the U.S. Government, he did not speak about the Bill which plans to reduce the U.S. deficit to zero by the year 1990. With

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respect to the matter he raises, I think it is important to have a good relationship with the United States.

The 1985 U.S. Farm Bill, recently signed into law by President Reagan, gives the Government great concern regarding the state of the international grain markets and future grain prices. The 1985 Farm Bill provisions present the potential for grain prices to decline in the short term. However, many other market factors will also have a major bearing on the level of future grain prices. Commodity prices in 1986 will be very sensitive to planted acreage changes and weather patterns in the United States. The U.S. farm program for wheat for 1986 requires participating U.S. farmers to reduce wheat-base acreage by 25 per cent.

Also, the 1985 Farm Bill puts into place a conservation program which will remove a substantial amount of marginal farm land from production. Although there may be downward pressure on commodity prices, as a result of the U.S. program the potential this year is for U.S. grain supplies to come into a better balance with demand. As this adjustment occurs over time grain prices should strengthen.

[Translation]

In spite of the fact that the American Government is injecting \$2 billion in its export sales program, we believe that it will continue to be careful and to limit as much as possible the application of this assistance program. We are going to monitor very closely this program and make our representations to the Government in due course.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Therefore, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.