

quite simply, that is the situation that faces a big part of Canadian agriculture.

The other side of it is that when you look at it, and it has been stated here by the hon. member who just spoke, Canadian agriculture is pretty good at what they do. We produce a good quality product and, by and large—and I will speak as a farmer because I still farm—we are not bad at what we do. We get up in the morning and if you look around the country this year, and there are some exceptions because there has been some drought in some areas and some pretty severe drought especially in parts of Ontario, the fields are clean, the crop is off, the fall work is done to the extent that it is going to be done. We run a pretty good show, but when international prices are where they are, it does not matter how good you are, the competition we are up against has nothing to do with how efficient you can produce. The competition we are up against is run by countries and people with larger treasuries. That is what is very difficult to accept.

Just to make the point further, the Canadian Grains Commission, which is an institution in Canada that has been here since the early part of the century and is responsible for weighing, grading and seeing that the quality of crop we produce is handled after we produce it, estimates this year that this is probably going to be the best quality crop that we have ever harvested.

So we have got a situation where farmers are good at what they do. They have produced probably the best crop on record and yet prices are as low as they have ever been, I would suggest, and even lower than they were in the 1930s. I can give numbers that would suggest that in relative terms, and if you want to compare dollars in 1930 to dollars today, prices today are worse than they were in the 1930s.

Then you ask: "Why is that the case? Is the world awash in wheat? Is there no more need for additional food?" When you look at that side of it, it is even more puzzling because the world is going to produce somewhere between 30 and 40 million tonnes less wheat this year than last year. Our production is going to be down to something like 550 million tonnes of wheat nationally from 590—some tonnes a year ago. There are obviously more people around now than there were a year ago to

be fed, so you ask: "Why are prices not going up instead of down?"

Quite simply, the situation that we are in makes no sense. We need more food because we have more people to feed. We produced less this year than last year. Our farmers are good at what they do and yet the prices are as low as they have ever been.

Quite simply, in my view, by far the majority of the problem rests with the European Community. It has since the start of its common agricultural policy, had some very high support prices. We do not object to the community paying farmers high prices, or however you want to talk about them, but high relative to the prices our farmers receive. We understand that Europe wants to produce food so that it can no longer worry about going hungry which it did right after the Second World War. But when those very high prices they paid caused large increases in production and those increases in production resulted in the European Community not only being self sufficient, but now being the second largest exporter of wheat in the world, then in my mind that is where, by far, the biggest part of the problem is and I think that is what we have to address to really solve this problem.

Just to tell you how critical the situation is, a European farmer producing Durum wheat—the wheat we use in pasta products such as noodles, spaghetti and lasagna, those kinds of things—this year is being paid \$355 a tonne. Compare that to Canadian farmers who are coming out an elevator in southern Saskatchewan and getting something like \$70 a tonne. If you compare that number to \$355 a tonne, you can see the kind of problem we face.

On top of that very high price, there are what the Europeans refer to as disadvantaged regions in Europe that are receiving an additional, we have estimated, \$111 an acre subsidy. That subsidy in addition to the very high price they receive has resulted in a dramatic increase in Durum production in Europe this year. Something like one third more Durum is going to be produced this year in Europe than last year. Where does it go? It is going to have to go on the export market. The export market is very thin, to use the jargon of the trade. There is not a lot of Durum wheat exported, only about 5 million tonnes annually in the world.