

Supply

The United States realized that now that Europe was beginning to produce enough grains and oilseeds to become an exporter, it would have to do something in response to ensure that its position as a dominant exporting power would continue. Therefore, it began to examine ways of ensuring that its farmers were well protected. It increased the subsidization levels internally and lowered the loan rate to farmers which, under stress conditions in the mid-eighties, became the world price.

When the U.S. farmer completes his harvest, he can lock his grain up at the loan rate which is currently just over \$2 in Canadian funds, about \$2.30 or \$2.40. He gets the money. If the market price goes up he can pay off the loan and re-sell the grain at a somewhat higher price. However, under current conditions the internal market price has not been going up. As a result, the U.S. government is stuck with those stocks. It offers them to the international grain trade at the loan rate, or close to the loan rate, which means that all competing countries are going to have to meet a price just over \$2 per bushel.

An hon. member: Shame, shame.

Mr. Althouse: It is ironic that if that loan rate was at \$4 or \$5 a bushel, the Europeans would have a depleted restitution fund because the importers of products from outside Europe would not be contributing to the restitution fund, and there would not be any money to finance the disposal of their surpluses at high subsidized levels. However, we are locked into this political power struggle between the two competing economic power blocs and Canada, Australia, Argentina, and the other traditional world grains and oilseeds traders are caught in the middle. Their producers are being asked to bear the brunt.

What has this meant for farmers and for rural communities and for the Canadian economy? I could provide all the statistics available from Agriculture Canada, the farm organizations and Statistics Canada outlining the billions of dollars of shortfall that have occurred, the billions of dollars of debt that have accumulated. However, because of the shortness of time, I will simply point out some of the things that I see happening around me in my community. I live on a farm in a rural riding and I visit the rural parts of Canada from Atlantic Canada to British Columbia quite often.

I see the same patterns emerging because this war has been going on for six or seven years.

• (1030)

A lot of families, a lot of communities and a lot of provincial economies are getting very war weary. First of all, you see a huge build-up of personal and community debt. You see businesses closing. Sometimes they are being closed because the bank tells them they don't have any credit and sometimes they are being closed because their creditors are tired of carrying them and force them into bankruptcy.

At the family and community level, people are withdrawing from the community. They no longer really communicate with their families. Their troubles are on their minds. They are worried about how they are going to be able to borrow the dollars necessary to pay the debts that have accumulated for that month, or for that season in the farmer's case.

Children sometimes do badly in school. Good students suddenly no longer can carry their class load. Families are breaking up. Businesses are breaking up. Families are leaving the community, sometimes in three or four pieces with the mother going in one direction, the father going in another, the adult or teenage children going someplace else, and the small ones having to decide whether they get taken with their fathers or their mothers.

You see alcohol abuse and worst of all, an all-pervasive sense of failure.

Madam Speaker, that has to be attacked if we are going to have economic recovery in this country and a sense that this country of Canada has a future as a country.

Rural Canadians are resilient people. They come from pioneer stock. They are optimists at heart. They do not mind working hard. They do not mind a few years of hard times if they think there is something at the other end.

The market fundamentals just now in the world for those who look at world trends and understand markets are sending them totally confusing pictures.

For three of the last four years, the world has failed to produce enough grains and oilseeds to feed itself. The carryover from last year was the second or third lowest carryover that we have ever had in history. Yet the price