

Under both the U.S. and EEC systems, export subsidies directly support grains and oilseed processors, including flour millers. In contrast, there are no direct export subsidies available to grains and oilseeds processors in Canada.

Both the U.S. and the EEC recognize that by providing direct export assistance to processors, governments can provide indirect income assistance to primary producers while sustaining processing capacity and related employment.

In Canada, however, governments continue to deliver farm income assistance through producer-oriented programs rather than directing the assistance through value-added channels such as flour milling. The net result has been foregone export opportunities for both Canadian grain processors and producers.

#### IV ALTERNATIVES TO AT AND EAST

As mentioned above, the Canadian National Millers Association has advocated the elimination of At and East subsidies, subject to the creation of a more cost-effective means of providing export assistance to the flour milling industry. Similarly, the CNMA advocates direct export assistance measures only until such time as the export subsidy programs of the EEC and the U.S. are eliminated.

To this end, the CNMA will be preparing specific recommendations to the federal government for an appropriate export assistance program to be submitted to departments and