

Supply

and the provincial governments did not provide the transitional funding.

It was laid out very clearly before the agriculture committee. The Ontario Commodity Council, which represents a broad range of producers, said: "For the shortfall we need at least \$200 million", and things have gone badly since then. Crop prices have gone down. Western Prairie Pools Inc., all those groups from the west, Keystone, NFU and other groups were saying there is a shortfall of at least \$1 billion. They are saying: "Provide us with the net difference". Unless we have that kind of assistance and have it quick and clean, the government's credibility and the government's support program, the GRIP program, is going to founder. As well, thousands of farmers are going to founder because they did not get that compensation, that transitional adjustment, for the 1990-91 crop year.

Mr. Lyle Vanclief (Prince Edward—Hastings): Thank you, Madam Speaker. I would just like to back up and support a couple of things mentioned by my colleague from Algoma. I would just like to emphasize to the House and to all who are watching today what is really happening out there. I have farmed all my life, though I have not farmed as actively during the last two or three years. I am absolutely astounded at the number of farm suppliers and people who do business in the agricultural community who are coming to me and phoning me and commenting about the level of their outstanding accounts at this time of year.

Farm fertilizer and farm supply people are saying that they are more than double what they were a year ago, and farmers know that the crops they have are worthless and they are not going to be able to pay those bills. Farm fuel suppliers are saying accounts receivable are an astronomical percentage. Bankers are already saying that if farmers do not roll and pay off their operating loans completely at the end of the year, whatever they carry into the next year will just be taken off of next year's operating loans. No business can go on like that. It is tearing the whole agri-food industry apart.

Farmers and the whole industry are disappointed. They were told they were going to have support during the transition from the old ad hoc system of support for

agriculture to the new safety net program system. Everybody was led to believe and told that: "If you will help us get that together, we will not see you go down during that transitional period". That has not taken place. Quite frankly, no one can say that it has taken place.

One can throw around the figures of what the new program is going to do. However, I would just ask my colleague if he could briefly comment on the following question. There is talk of an interim payment on the GRIP program, which many of us supported. We may have some questions about it, but it is there. However, if we are going to put an interim payment of GRIP into place in October or November, is that not taking from what should be next year's pay cheque for this year? Is that solving the problem we have today, or are we just putting it off and hoping and praying that someone from on high will create a different situation next year?

• (1120)

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Madam Speaker, I concur with the two previous speakers that this is a serious time for Canadian farmers. About half of the production annually of Canadian farmers is in the grain and oilseeds sector, and it is experiencing the worst prices, I would suggest, ever in the history of that sector of Canadian agriculture.

The prices that are prevailing on the world markets today are roughly the same as the prices that farmers received 20 years ago for their product. The farmer hauling wheat into an elevator in western Canada, for that matter in Ontario or any place else—Prince Edward Island produces wheat and wheat is produced from coast to coast in this country—is getting in the neighbourhood of \$2 a bushel, and in some cases it is less. That compares to the full realized price for wheat in 1971 of \$2.15 a bushel. Simply what is happening is that farmers are being asked to live on the same kind of income that they had in 1971.

I want to suggest that for a consumer or a taxpayer to put that into perspective, just think of where any of us would be if we were going to have to meet today's expenses of living, supporting a family, running a business and doing whatever on the same kind of income that we had in 1971. None of us would last very long and,