

Oral Questions

Mr. Clark (Yellowhead): Two things need to be put on the record, Mr. Speaker. One is that we are bound with regard to the French-flag vessels in the disputed zone of 3PS. We are bound by the Turner agreement, the Liberal Party treaty signed in 1984. It is a treaty to which Canada is committed. We cannot cavalierly break that Turner treaty. As I say, if the Hon. Member wants to have further information as to why Mr. Turner signed and authorized that treaty, then he can put that question to him directly.

The other point that has to be raised is that the reaction that is coming from France now, a reaction which he somewhat exaggerates, is as a consequence of very firm actions which the Government has taken. We have closed Canadian ports to French vessels serving the fishing fleet. We have refused to reopen the Burgeo Bank. We have closed the rest of 3PS outside the disputed zone.

When the French for the second time broke off the negotiations that had been under way since January of this year, we gave notice that quotas will not be given in 1988. The reason we are hearing from the French is because of the firm, effective action of this Government.

Some Hon. Members: Hear, hear!

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TRADE**TWO-PRICE WHEAT SYSTEMS—EFFECT OF CANADA-UNITED STATES TRADE AGREEMENT**

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Minister of State for Grains. The Government has been less than straightforward in its comments about the elimination under the trade agreement of the two-price wheat system.

Can the Minister explain why on the one hand the federal Government says that the two-price system for wheat will not be affected by the Mulroney-Reagan trade deal, while on the other hand the Premier of Saskatchewan has taken out ads in the Saskatchewan press stating that Canada's two-price wheat will be eliminated, and that the federal Government will provide compensation of \$280 million for the annual loss to farmers? Will the Minister explain this difference of position?

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, the Hon. Member should know that it was this Government that took the decision back in April of 1986 to see that the domestic price went to \$7 per bushel. So it is this Government that is responsible for seeing the benefit of the two-price system go to Canadians farmers.

Also, the Hon. Member will know that the agreement does not come into effect for a little over one year. As tariffs come down there will continue to be pressure on the two-price wheat system, pressure which, as he is aware, is there now. If he

wants to be fair about it he will also know that we have said that if there is going to be a change in the two-price wheat system we will see that producers are compensated for the benefit that they now have under the two-price wheat system.

SASKATCHEWAN PREMIER'S POSITION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, is the Minister telling us that the Premier of Saskatchewan does not understand the agreement? Or is he saying that the Premier is taking this political route because that might be the easiest way to sell the agreement? I would like the Minister to make it clear to the Premier of Saskatchewan exactly what it is, or go to the Premier of Saskatchewan and explain what it is so that we get the right story out there.

● (1140)

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, I am not so sure that the Hon. Member fully understood what I said in response to his first question.

Very simply, to say it again, it has been this Government that has been responsible for the benefits flowing to farmers under the two-price wheat system. It is farmers like himself and his neighbours who have benefited as a result of actions by this Government.

The Hon. Member will also know that agriculture, especially western agriculture, stands to benefit substantially under the terms of the free trade agreement initialled at the beginning of this month.

I will say again that, as a result of benefits received under the two-price wheat system, and as a result of actions by this Government, if there are going to be any changes to the two-price wheat system for whatever reason—and there are all types of domestic pressures coming from the two-price wheat system that have nothing to do with the free trade agreement—we will see that our farmers are compensated for any changes that we make in the two-price wheat system. That is very clear.

The Hon. Member does a disservice to farmers who are suffering from many uncertainties by attempting to cloud the issue with nothing more than political nonsense.

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CANADA SAVINGS BONDS**OPPORTUNITY FOR HOLDERS OF BONDS MATURING NOVEMBER 1**

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is directed to the Minister of Finance.

Considering that the sale of new Canada Savings Bonds has an announced cut-off date of October 31, what action is the