

concept of orderly marketing, lowers the return to the grower and diminishes farm profit margins.

I want to re-emphasize the detrimental effect this program will have on Atlantic agriculture. Feed costs are already considerably higher than those in central Canada. Any further increase will seriously jeopardize the viability of the livestock and poultry industries. My home province of Prince Edward Island grows 80 per cent of its feed grain requirements because it is part of the normal rotation of potatoes, grain and hay. New Brunswick, on the other hand, produces only 35 per cent to 40 per cent of its grain needs; Nova Scotia a mere 20 per cent.

We have a great need for reasonably priced Ontario or western grain to meet our requirements. At present we are legally obliged to buy our grain in Canada from Ontario or the west. Does the loss of the at and east subsidy foretell the end of freight rate assistance? Will we then have to buy our grain from other countries because it is cheaper? And will we be allowed to do so?

No one has claimed the at and east program to be perfect. Five years ago the Atlantic Provinces Transportation Commission proposed modifications. They did not even receive the courtesy of a reply.

I believe the whole problem of at and east comes back to the question of subsidy. What is a subsidy? Does subsidy mean one thing in Canada and something else in the United States?

Madam Speaker, the answer is obviously yes because the word subsidy is not in the American vocabulary, except when they are talking about Canada and when they are talking about the European Common Market. When are we going to know exactly what subsidy means as it applies to the free trade agreement? Does the so-called level playing field mean something different in Canada than it does in the U.S.? Obviously it does.

Our Minister of Agriculture went on record earlier this month saying that Canada does not like the U.S. decision to step up export enhancement subsidies aimed at getting American products into the European market. He also said, "We had hoped that the U.S. would not have had to employ the export enhancement program

and that we could have scaled down the level of warring. But with the latest U.S. budget calling for an increase in the level of export enhancement, we know that this is a signal that the war might intensify." The minister is finally catching on.

In the same speech the minister expressed concern about the problems encountered with export of Canadian beef to the U.S. He also expressed concern about the difficulty of getting reliable information on the level of U.S. agricultural subsidies and indicated that the government has hired a consulting firm to do research in this area. This is something he should have done in 1986-87. Now that the free trade agreement is signed we are now trying to find out what level of subsidies the Americans are giving to their farmers.

On behalf of the grain growers, the beef producers, the hog growers, the dairy industry, the potato industry, the egg and poultry industry, in fact the entire agricultural sector, I encourage the Minister of Agriculture and this government to act in a most expeditious manner and resolve this question of subsidy before more farmers fall victim and rural Canada suffers further devastation of its population.

Cancellation of the at and east subsidy is one more blow to Atlantic Canada. It is the parting shot of the old 1989 budget. I sincerely hope that this evening's budget will be one which will be more beneficial to all of us in the east who have been so brutalized during the past year.

The Acting Speaker (Mrs. Champagne): The Chair would like to suggest to the House that we call it one o'clock and when the House resumes after Question Period we could proceed to the period of questions or comments after the hon. member for Egmont's speech. Is it agreed?

Some hon. members: Agreed.

The Acting Speaker (Mrs. Champagne): It being one o'clock I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.