processed dairy products such as cheese, butter, and skimmed milk powder. That represents something like 63 per cent of the full dairy production in this country of processed dairy products, so we are extremely vulnerable if these talks are not resumed early in the new year. We have to hope for that.

It is interesting when we look at those negotiations, in terms of international development, the Bretton Woods agreement, and the vulnerability and the difficulty of access for the Third World countries to European countries, the U.S., and developed countries' markets. When we look at it from that perspective, I am conscious of a statement by the Prime Minister today that Canadian producers of agricultural commodities receive something like 600 per cent higher support and assistance now than they did in 1984. In fact, support programs in 1984 were $1.483 billion and, in 1991 they are projected to be $1.533 billion. So what is happening is that even though agricultural producers' pricing, commodity prices and the world price war have totally ravaged this industry for the last five or six years, that in fact the government's own projections of support and assistance are exactly or very close to where they were in 1984, when we were coming off of some very high prices and the international trade war had not even started. The Prime Minister's statement, if one looks at the exact figures of the Department of Agriculture, simply is not true.

I think he is in the habit of quoting things like that from the relatively higher payments that were made in 1987 and 1988. In fact, in western Canada, the support programs have been reduced from some $2.4 billion in 1988 to $1.2 billion in 1990. That is a reduction of exactly 50 per cent. They are further scheduled to be reduced to something over $900 million next year, in western Canada alone, at a time when world prices, in real terms, are the lowest in history, while the trade war rages on, and debt levels are very high. So our producers are in an incredibly vulnerable position.

• (1300)

The part that really concerns me is the last proposal to be put before the negotiations, according to a wire service story this morning from Brussels, that was proposed by the chairman of the agriculture working committee, Mr. Hellstrom from Sweden. He proposes that in fact the rollback of support programs, access, and the rollback of export subsidies, be 30 per cent, which was what was originally proposed by the EEC.

The unfortunate part for Canada, if this is accepted in a renewed round in early January, is that it is based on support programs commencing in January of 1991. Over that five-year period it would be looking at support programs based on $1.5 billion for Canadian producers. A reduction of that magnitude would reduce the support programs to something less than $1 billion over the five years. This would be devastating when you take into account that programs such as the western grain transportation Crow benefit amount to some $700 million. Therefore, it would not leave very much for anything else across the nation with some five distinct geographical areas of agriculture production.

Similarly, if we increase the access to our diary and poultry industry to 30 per cent—it is 2 or 3 per cent now—then the industry as we know it would collapse. The 30 per cent reduction likewise on export enhancement assistance would not have a very great effect on our Canadian producers because we do not have a program of any magnitude similar to the Export Enhancement Program of the United States or the export subsidies of the EEC which reduce relatively high levels of cost of production and domestic prices to world price levels.

The Prime Minister needs to take a very close look at support programs. These programs, as planned by the Department of Agriculture last year, are very close to what they were in 1984. The ability of farmers to survive and the price of commodities in the marketplace are dramatically down. In fact, they are the lowest in real terms since the 1930s in the present crop year. The demand is very low because of a massive crop. Our producers are extremely vulnerable in this.

We appreciate some of the difficulties which Third World countries face. The international negotiations can take place possibly in about a month's time or early in the new year to re-establish the world trading arrangements for agriculture. We will have to hope that they will take place and that the dramatic removal of support programs that has taken place in the last two years by this government will not leave us in an unbelievably vulnerable position for the survival of Canadian agriculture in those negotiations.