

Supply

the world price of grain. Clearly this past two and a half or three years has seen a devastating situation in the grain or agriculture price wars that have been going on in the international markets. We not only see the U.S. setting its loan rate so low that it pushes the world price of grain to a very low level, but it is providing as well an Export Enhancement Program which drives the price down even further. It is really a destructive policy.

• (1140)

Our Government has paid only passing attention to that policy because it has been involved in the free trade negotiations and has pretty well abandoned any criticism of the U.S. Farm Bill which without doubt has had a more devastating impact on Canadian grain and oilseeds and other cash crops than any other single piece of legislation passed in any Parliament or legislature in the world.

The Government should have been making stronger representations and fighting harder to see that the impact of this legislation is reduced. The Minister likes to talk about how the Prime Minister raised this matter at the Venice Summit last June. Certainly he did, but the President of the U.S. shot him down as soon as he did and the whole issue was thrown out far as any real action being taken by the U.S. administration is concerned, and the world price of grain continues to drop.

Unfortunately, the Minister had not done his homework and was unable to tell the Standing Committee on Agriculture a week or so ago how much further the U.S. farm bill will ratchet down the price of grain in the coming crop year. There seems to be some indication that it will be reduced and it would be nice to know exactly what the impact will be.

Although the Government made a massive payment this year of \$1.1 billion, that is only \$100 million more than last year and the coverage is wider so the return to farmers will be lower. Yet the price of grain is 20 per cent lower this year than it was last year. Essentially, farmers are receiving approximately the same amount of money from the Special Canadian Grains Program when prices have dropped by 20 per cent and input costs have continued to increase. It is an extremely serious situation and will probably be worse in the coming crop year.

The tragedy in this does not apply only to the U.S. Government and its spending of some \$25 billion or \$30 billion on subsidies, in effect reducing the world price of grain. It applies to every grain producing country of Europe, as well as Australia, Argentina, and other prominent grain producing countries.

We were amazed that the Government of Canada should sign a trade agreement which the U.S. Government, immediately abrogated with respect to agriculture. According to that trade agreement Canada's interest were to be taken into account. Yet after that agreement was signed the U.S. aggressively went after Canadian customers using its Export Enhancement Program in violation of the agreement. There

was supposed to be a standstill clause in that agreement to the effect that neither country would take action which could jeopardize approval of the agreement. Clearly that provision does not apply to the Export Enhancement Program.

There is considerable concern across the country with the program itself. I have a statement from the Ontario Soya-bean Growers' Marketing Board concerning a one-cent per bushel subsidy producers were to receive. The Chairman of that Board, Owen Dobbyn said that:

The program was supposed to be equitable for all grain and oilseed producers and not influence the farmer's planting decisions—In fact, last spring Agricultural Minister John Wise told farmers not to base their planting decisions on government programs but on the returns they could expect from the marketplace.

This one-cent per bushel payment for soybeans is telling soybean growers they made the wrong planting decision—they should have planted the crops which received a higher subsidy rate.

Next spring farmers won't know which crops to plant. Should they look at market prices or plant the crops receiving the greatest subsidies?

Uniform of Alberta took the Deputy Prime Minister to task at a meeting in Edmonton in early January. During a question period at their annual meeting delegates wanted to know why a proposal developed by western members of the Canadian Federation of Agriculture was not used by the federal Government when setting up the Special Canadian Grains Program. An article in the *Western Producer* says:

At the heart of the complaints was a fear that the \$1.1 billion program will not be market-neutral.

—when interviewed, Uniform President Ralph Jespersen was highly critical of the program.

"If Members of Parliament and individual farmers have the ability to overrule us, it makes a mockery of the Government suggesting 'come up with a proposal through consultation and we will follow it,'" Jespersen said. "It's an aggravating situation."

Clearly, there has been much criticism of the program in that regard.

• (1150)

Concern was also expressed about the fact that at the same time the Prime Minister was announcing the special grains program, he was cancelling some \$750 million of debt under the Western Grain Stabilization Program. Those who do not come under that Act believe that any additional subsidy or assistance should have been provided on a universal basis. The Western Grain Stabilization Program operates on the basis of those who have opted into the program.

I would like to know whether the Minister is contemplating any assistance for those who are not subject to the Act. One would normally expect this to be a universal program, but it is not in this case because the Government has cancelled some \$750 million of the debt under the Western Grain Stabilization Program.

Those are some of the concerns that have been expressed to me since the program was announced. When the Prime Minister announced the Special Canadian Grains Program for this coming year, he outlined a long list of other programs