

Senator Flynn: He will when we televise the Senate debates!

Senator Olson: I do not want to deteriorate the seriousness of this debate. There is a serious crisis out there. If you are on the brink of being called by the banks because of the interest rates and the debts that have been incurred, along with a number of other reasons, more particularly the price of grain that I just mentioned, you do not think this is a comical matter.

I do not know if the Canadian government is entirely to blame for the cause of this crisis. I think it is more accurate to say that the subsidy war that is occurring between the United States and the European Economic Community is a major cause of the crisis. The United States seems to believe that it has deeper pockets than Europe. We are about to have a war with respect to these export subsidies, which will cause our price to go down. Our Canadian Wheat Board is in the same market and has to be competitive or it will not sell anything.

I had the privilege of attending a number of meetings in various places, particularly in Geneva for the Uruguay round, to try to find a solution to the competition in farm subsidies. I remember being there two years ago when this subsidy war was in full swing, and there was a fellow—I do not even remember his name, and if I could I probably would not say it anyway—who was one of the so-called agricultural experts from the European Economic Community. He was from Germany and was very competent. He said that if we think Europe is getting tired of paying \$30 billion in agricultural subsidies annually, do not hold your breath. He was absolutely right.

The German industrial machine is paying the bill for most of the subsidies that are paid into agriculture in Europe. They know that there will be a severe political problem in Germany if it withdraws subsidies, because the present head of state and his party need Bavaria and a couple of other smaller provinces in Germany to support them, so they are not about to withdraw their support. Not only that, they understand that a surplus of food is not a curse; it is an asset that they are willing to pay for, because they remember what it was like to be short of food during the war. They do not think it is a terrible burden to pay a few dollars out of the industrial sector in order to ensure an abundant supply of food at a low price. That is an asset and a blessing to them, not the curse North Americans think it is.

The point I am trying to make, honourable senators, is that this problem is not about to go away. I remember being at one of the Canada-U.S. meetings that we had—and we had one here a few days ago—when senators from the grain growing areas of the United States said that they will find out who has the deepest pockets. The United States will find out that Europe will not back off. There is no doubt in my mind about that. We are very impressed with what is going on in eastern Europe, but we had better take a look at what is going on in western Europe too, because what will happen in 1992 and beyond is probably as important to our economic situation as what is going on in eastern Europe.

[Senator Olson.]

I understand that it is a completely different situation, but there is a tremendous buildup of economic power developing in western Europe; and, in my opinion, they will demonstrate to the United States that they can pay agriculture subsidies just as big and just as long as the United States can. Yet when the proposed budget was presented a few days ago in Washington, and the White House sent it over to Congress, there was an item included in that budget for \$900 million in 1991 for the export subsidy of grain.

So it appears that neither side is about to back off. I happen to believe—and I have argued this in Geneva, Brussels and at a number of meetings that I have attended—that both are losers. I guess it depends on whose point of view you support. I believe the people who buy the grain are winners, but neither side will win in the long run if they think that they can bluff or outspend the other side.

The Canadian farmers are the victims. The farmers in Saskatchewan and southeastern Alberta do not have any other alternatives. They have to sell their grain on the international market. Canadian farmers will have to face these two giants fighting each other in the international market, driving the price down as they have.

My appeal to the government is to recognize that and accept it as the way things are. I am not saying it is right, but that is the way it is. Is the government going to let the farmers hang out there without any assistance? I know that this government provided substantial assistance in 1985 and 1986. By the way, the government used Liberal policies; all it did was fund them. There was the Western Grain Stabilization Fund and various other programs, but I said I would not be partisan so I had better hold it.

The government funded programs such as the Western Grain Stabilization Fund and the Crop Insurance Program. The government also provided a lot of money, and I give it full marks for that, but it cannot abandon farmers now, as was done in 1989 and 1990. That seems to be the situation.

I have asked the Leader of the Government on many occasions when the government would be coming forward with an announcement. I follow very closely what the deputy minister and the Minister of Agriculture say. The point is that I am extremely interested, because the people in my part of Canada are interested. However, all we got was a green paper entitled "Growing Together". There is nothing in it. You cannot get into philosophical discussions about setting up a whole lot of new committees to do with the farm credit crisis—committees that are not even expected to report until well into the summer. After that, programs have to be worked out. I think another committee has been set up and it is called "a cereal grain safety net". I intended to bring some of these materials along with me today but I do not seem to have them. At any rate, these committees have not been set up in time.

● (1550)

Honourable senators, west central Saskatchewan, south-western Saskatchewan—not all of it, but most of it—and a large part of Alberta have been dried out for six years in