

Adjournment Debate

was produced from U.S. beans exported to Spain from the U.S., and possibly under a subsidy program, then crushed in Spain and exported under yet another subsidy program.

The export enhancement program, which is the United States' main but not only export subsidy program, funded U.S. agricultural products exports to the tune of \$1.5 billion in 1988, \$0.7 billion in 1989, and \$566 million this year. In addition to those moneys, the U.S. proposes to spend over \$900 million in the program in 1991.

The minister has indicated in the past that he may use the article 19 of the free trade agreement to challenge the United States export enhancement program. I wonder if the government's statement today will indicate a willingness to use that route in view of its investigation into the dumping of this oilseed product into the Canadian market. The Canadian market under this government has become a real dumping ground for subsidized agricultural products.

For example, according to industry sources, 1 million pounds of no-roll beef a week was imported into Canada from the U.S. last year, and it is expected to double to 2 million pounds a week in 1990. This is low grade beef that because of the government's refusal to change our import regulations competes directly against our high grade quality beef in Canada. This meat is not graded when it leaves the United States, and it is unacceptable that our exports have to be graded.

This beef is in addition to the influx of imported Nicaraguan beef being dumped into Canada at the present time. This in turn has impacted negatively on our beef industry. According to the latest published Statistics Canada information, in 1984 Canada exported 230 million pounds of dressed beef. We should compare that to 1988 when Canada exported only 181 million pounds of dressed beef, a decrease of 21 per cent. In 1984, 254 million pounds of beef was imported into Canada. By 1988 that figure increased dramatically to 345 million pounds, an increase of 35 per cent.

Further, in 1985 beef exports represented 34 per cent of all red meat exports valued at \$218 million; in 1986, 20 per cent with a value of \$198.8 million; in 1987, 25 per cent with a value of \$198 million; and in 1988, the latest date for completed figures according to Agriculture

Canada, beef exports accounted for only 18 per cent of red meat exports at a value of \$173 million.

For 1987-1989 the number of cattle on farms is currently lower than in any previous five-year average since 1970, and 632,000 head less than at the turn of the decade.

This is the net effect of such dumping in just one sector of the agricultural industry. The over-all effect of this government inaction has been dramatic.

The Canadian Wheat Board initial price for spring wheat in 1984 was \$170 a tonne. The initial price recently announced by the government for 1990, in equivalent dollars, is only \$126.73, a real drop of \$43.27 a tonne, indicating that real incomes for 1990 will be considerably worse.

Producers of corn in Ontario, the province's largest single crop, said the western grain farmers are not the only ones under siege. The income of Ontario corn producers is now only 28 per cent of what it was prior to 1985.

The over-all effect of the government's policies or lack of policies is that in 1984 the average net farm income was \$15,461 in equivalent dollars. The average net farm income in 1988 was only \$13,224. On average since 1984 producers have seen their real incomes drop by 15 per cent.

Agriculture Canada optimistically predicts farm incomes will drop \$2.77 billion this year from \$4.33 billion last year, a 37 per cent drop in one year.

In spite of the incredible decline that these figures represent, I say optimistically as a report in this morning's *Financial Post* cites a U.S. agricultural analyst predicting a 20-year record low realized net farm income in Canada of only \$1.85 billion, which would be a decline of 58 per cent.

The study finds that half of the decline is due to depressed prices for agricultural products. The other half is due, the analyst argues, to direct government action: the wholesale removal of agricultural support programs. That is the legacy of this government's agricultural program. Indeed, the government openly admits that it plans to cut government spending on agriculture to \$3.2 billion this year from \$5.6 billion last year and \$6.1 billion in 1988, a 50 per cent plunge in two years.