

farming community. It can produce some of the best crops. It has probably the greatest variety of ability to grow crops in Canada. All in all I think it has the position to which the member I think rightfully referred, that it is probably at the forefront of Canadian agricultural development.

Of course, he carries on about how desperate things are in the farm community. Yes, there are some desperations. Part of the desperation I am sure relates specifically to some very high costs of borrowing money. The Government of Canada is trying to deal with that. It is trying to bring those interest rates down, but bringing down interest rates artificially only helps for one year.

The government tried that in the late seventies only to have rates go much higher and an awful lot more farm bankruptcies took place when interest rates were at 18 and 20 per cent than did in the last year. They talk about the impact of the Canada-U.S. Free Trade Agreement and I guess I have to talk about that, because I would not want the opposition members to believe their rhetoric that says that free trade has been bad for the agricultural community.

In fact, in the two-way trade in agriculture, there is a trade of about \$8 billion per year that takes place between Canada and the United States. In the first full year of that particular agreement, which would be 1989, Canada's trade in agri-food products with the U.S. increased some 13 per cent, while Canada's imports decreased. We can see that there was a positive situation in that scenario.

The 1990 figures show Canada's trade in agricultural products is up 20 per cent over 1989 which is a 13 per cent increase again over 1988. If whisky and alcoholic beverages are included, the figures are increased even further.

For the first time ever, in 1990 Canadian exports to the U.S. in agriculture were over \$4 billion. Canadian exports of grain and oilseeds totalled some \$687 million in the first 11 months of 1990, which is up over the numbers for 1989.

There is a whole series of statistics which goes on here to talk about the changes. I think the most important area we can talk about is not just the export of raw agricultural products, I think we have to talk about the

impact on the Canadian food processing industry, because there are a lot of jobs which are a direct result of agricultural production and those jobs result from food processing.

Here are just some of the impacts. Investment in the food processing sector increased in 1989 by more than 15 per cent, by 40 per cent in the baking industry and by 73 per cent in the red meat industry. Fifty new plants have opened in Canada, 24 in 1990 alone. That does not sound like it is a disaster in the food processing industry because of free trade.

There have been 54 additional plant expansions, 27 of those in 1990. There have been 26 new investments and then some additional mergers as well. All are examples of restructuring, but restructuring that has been healthy for the industry.

When I listen to the members from the Windsor area talk about the negatives of the free trade agreement on their industry, we all know the automotive industry was not affected by the free trade agreement and now we have the food sector showing some very positive signs with regard to its over-all health. I am not sure if those members travel in their ridings, but from the statistics I see it is certainly different than what they are espousing as they speak here in this debate.

I would like to expand on the recession to a degree because, yes, it is having an impact. It is having an impact in my riding. It is having an impact across Canada. There are people losing their jobs and they are losing them for a whole series of reasons. One of the things that is certainly there is the issue of competitiveness and how we deal with the Canadian competitive society. There have been a number of ways of addressing it and certainly some of them relate to proper research and development, some of them relate to investment decisions.

• (1840)

It is interesting that members, particularly in the NDP, have tremendous examples which they espouse every week of companies that pay no taxes because they have taken advantage of certain investment incentives in research and development. They criticize and say that there is not enough research and development going on. Then they criticize when the government in fact creates