

### *Supply*

supply management system, a system farmers and previous governments worked hard to create. They were governments that were obviously concerned about farmers.

• (1710)

This uncertainty has been further strengthened by the action of some banks of discounting quotas by 50 per cent. Banks fear that, "Production quotas will be the sacrificial lambs". They will be sacrificial lambs at the altar of the free trade agreement.

Worse still is that this government has reneged on the commitment made to the dairy industry under the long-term dairy policy. This weakening of the supply management system seriously threatens the dairy industry in Canada. The Americans continue to challenge supply management and this government allows it to happen.

The P.E.I. Milk Marketing Board stated, on February 15, 1989 in the P.E.I. "Dairy Industry Concerns": "It is imperative that the Canadian government successfully defend the United States challenge or the Canadian dairy industry will suffer irreparable damage."

Canada has to uphold the rights of Canadian farmers to control the import of ice cream, yogurt, skim milk, ice milk, et cetera. If this is not upheld, the doors will be open wider to American demands. The fear is that the United States wants full access to the Canadian market, giving us nothing in return. The United States is determining how Canadian farmers will survive.

This government is blindly and uncaringly sitting by and allowing American interference in Canadian policy. Programs such as the Advance Payments for Crops Act benefited all farmers. The government is eliminating the interest free portion of this act, for no other reason than it is considered a subsidy under the free trade agreement. It has nothing to do with deficit reduction, nothing to do with impending markets or any other rhetoric. It has to do with free trade.

The agricultural industry is being seriously eroded beyond redemption. Farming operations are being curtailed and farmers are selling their farms. Farmers do not see any future in farming because this government is

selling them off to the Americans under the free trade agreement.

It is bad enough that this government favours big business and has no vision of Canada, but this government has been kowtowing to the United States. The Tories are slowly and surely turning Canada into a distribution centre and service industry for the Americans. With no viable agricultural industry of our own, the Americans will have a captive market for their own over-production and Canada, sad to say, will be an American dumping ground.

So, as you can see, in less than a year this government has managed to undermine and destroy programs in agriculture that it took decades to perfect. The future looks grim and unless this government starts to put the interests of Canadian farmers ahead of their American counterparts, it will be even grimmer.

**Mr. Maurice Foster (Algoma):** Mr. Speaker, I was glad to hear the hon. member for Cardigan, Prince Edward Island. While he was speaking I was thinking about the comments that our task force on the free trade deal heard when we were in the maritime provinces a year or so ago during the free trade debate. It was made very abundantly clear to us in our hearings in Fredericton that the kinds of diversified agriculture that we see in Prince Edward Island and New Brunswick and in some of the other maritime provinces, we would not see if we go into the free trade deal. The farm groups at those hearings said that if we want to see what agriculture will be like in New Brunswick, and I think we could extend this to P.E.I. and Nova Scotia as well, we could look at the agricultural scene in Maine where there is certainly not the kind of diversified agriculture that we see here. That is why I was very concerned when the Minister for International Trade was talking about agriculture being on the move.

Representatives of McCains Foods said that unless they put in a mechanism to protect supply management, there was a danger that some of their companies were going to be on the move to the United States, that the manufacturing and processing would take place there rather than in New Brunswick. They were talking about frozen pizzas and the use of mozzarella cheese and so on.