

Canada-U.S. Free Trade Agreement

We must not forfeit our agricultural independence in the false pursuit of illusory lower American prices.

Food prices will sky-rocket out of control once the American vertically integrated megacorporations put our family farmers out of business. With our farmers will go many of our rural communities and a respected way of life with its particular values and social and economic structures.

The United States has a major balance of payments deficit which the Reagan administration has been under tremendous pressure to reduce. The decline of American exports in the agricultural sector has been a serious domestic problem. Between 1980 and 1985, U.S. exports fell from \$47 billion to \$31 billion. By expanding opportunities for increasing food and agricultural exports to Canada, the American Government hopes to help solve both its balance of payments deficit and redress the problems of its agricultural sector.

The goals of the American Government in the bilateral trade talks are well known. First, it wishes to remove all tariffs in the food and agricultural area. The Americans are anxious to see a removal of duties on potatoes and onions, and seasonal tariffs on fresh fruits and vegetables.

A second major goal is to remove non-tariff barriers to trade, both federal and provincial. This includes protections for the wine and brewing industries, provincial procurement policies, and provincial marketing boards for agricultural products. The Americans placed a high priority on the removal of import quotas from the Canadian supply management boards, the Canadian Wheat Board, the Canadian Dairy Commission, and the Poultry and Egg Marketing Boards.

The American Government demanded an end to various federal and provincial subsidies for agriculture and processed foods. These include provincial farm subsidy programs, assistance to food processing plants, and freight subsidies under the Western Grain Transportation Act and the Feed Freight Assistance Act.

The over-all aim of the negotiations in the agricultural area was to create a level playing field, eliminating or harmonizing government programs and income support systems. However, agriculture and the food industry in Canada cannot compete on an equal footing with American counterparts because of a shorter growing season, lower levels of population density, greater distances for transportation, and higher construction and energy costs.

Unfortunately, it seems that the Americans are having their way with our agricultural sector. Under this agreement, the Mulroney Government did not secure the supply management or quota system under which milk, egg, poultry, and other agricultural commodity productions are regulated in Canada. The supply management system guarantees fairer incomes through price stabilization. Removal of these and other protective tariffs applied to grain, fruit, and vegetable crops, will threaten the survival of many family farms, not only in the riding of Northumberland but in every riding across Canada.

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If the Mulroney trade deal is passed without amendment, the agricultural sector in Canada will have to compete on a very uneven playing field, given the importation of lower priced U.S. farm products.

Further, in a recent Bush-Dukakis debate, Mr. Bush adamantly declared his opposition to any form of supply management programs in agriculture.

In Canada, the stable areas in farming remain those which have orderly marketing programs, with fair prices established on a cost of production basis, and that includes such sectors as poultry, broiler chickens, eggs, and turkeys.

Fair priced regulators are seriously threatened by this trade deal and may very well be wiped out.

In Canada, there are 2,000 egg producers. In the U.S., just two companies can out-produce the combined efforts of all their Canadian counterparts.

Dairy farmers want assurances that the milk industry will be protected from U.S. competition under the Free Trade Agreement. They want to see, in black and white, an agreement that allows them to have a supply management system in place controlled by marketing boards.

Quotas constitute a significant benefit for family farmers and they cannot be allowed to disappear.

I have met with dairy farmers from my riding of Northumberland, who have expressed their fears to me about the devastating impact that the Mulroney trade deal will have on their family farms.

Mr. Mulroney, on behalf of farmers like Glen Cole and his family, and Jim Tunney—

The Acting Speaker (Mr. Paproski): I would ask the Hon. Member to refer to Hon. Members by their riding