

*Agricultural Subsidies*

that export markets are expanding. We feel that we have the necessary potential to develop our farm production to benefit from these expanding markets. In my opinion, this is a worthy and legitimate objective. Yet, it is not new. Is it not the very same objective which federal and provincial departments of agriculture have sought from the very beginning in endeavouring to help our agro-food industry meet the needs of our domestic market primarily, and of foreign markets secondly, by producing healthy high quality food at reasonable costs, while providing producers with equitable incomes in line with their efforts and investments?

We shall probably be hearing today this list of objectives for the nth time. It is with these objectives in mind that the government has created and continues to create assistance programs, financial or otherwise, for farm producers and other contributors to the agro-food industry? These assistance programs have sometimes appeared in the form of food production, transport, processing and marketing subsidies. What the Hon. Member for Regina East does not understand when he blames the Government, is why it does not have any study or accurate figures from various countries about the type of subsidies for each particular kind of product. It is simply because these come under various programs. It all depends on the type of assistance. Is the assistance program aimed at production, transportation or marketing boards? In my opinion, this is rather difficult to accurately determine and if, because of the various programs we were to stop tomorrow morning giving this matter special attention, Mr. Speaker, it is almost certain that many agreements would be cancelled.

These programs were designed and implemented to promote the development of the Canadian industry with due consideration being given to Canadian realities and very often Canadian needs. If we want to increase the effectiveness and profitability of the Canadian agricultural food products industry, it is first of all because it is in the interests of Canadian consumers. Canadians now spend 15.8 per cent of their disposable income on food products. Only the Americans use a lower percentage of their income for food. This is now the case in Canada.

How do my comments relate to today's debate? I do not want to be simplistic in my approach, but I want to place my remarks in a more realistic context than has been done until now.

Government agricultural subsidies, whether federal or provincial, were first aimed at ensuring the profitability and efficiency of the Canadian industry. If assistance programs have allowed our farm producers and agricultural food products industry to become more competitive, so much the better since it benefits further our economy! Of course, reference can be made to cases where subsidies seem to benefit other people, outside Canada, for instance. In such cases, the government is expected to subsidize exports, and therefore, Canadian taxpayers are expected to subsidize the consumers in other countries. One can look at it that way. However, I believe there are other

ways to look at it. In my opinion, the subsidies which seem to benefit others allow us in fact to maintain our production capacity, to remain effective and preserve the markets sometimes acquired by our producers through relentless and patient efforts.

In the short term, some types of financial assistance can be considered as an export subsidy, but in the long run, the very survival of our industry is at stake. What is involved is our capacity to meet the needs of the Canadian people. Can we afford to abandon some of our agricultural sectors because of temporary problems in which case we would become completely dependent on foreign supplies to meet the demands of the Canadian market? There is an important moral and political choice to be made. Once again, the needs of consumers are involved. Canadians could benefit from short term price reductions, but in the long run, if we no longer have the capacity to produce, we shall have to purchase where we can and at a price dictated by others. This is one aspect of the matter.

From another point of view, many financial assistance or subsidy programs were implemented, not to enable Canadian producers to keep on supplying foreign markets in order to protect our production capacity, but simply to protect our domestic markets which belong to our producers against foreign products which are sometimes subsidized. If we look at the purchasing programs of the Agricultural Products Board these last few years, we can see that in each case its involvement was aimed at supporting our Canadian industry when it was threatened by low-priced imports.

● (1750)

Mr. Speaker, I would simply remind the House that when the Canadian Government decided to buy canned tomatoes in Ontario, it was precisely to maintain the production which had been disrupted by imports of foreign produce. I think that nobody in the House could have claimed then with any degree of certainty whether such imported produce had been subsidized, because there are very subtle ways of doing that nowadays, even though we cannot say so openly since we must abide by multilateral agreements.

All kinds of arguments are defensible in light of current trends on the international market. In that respect, I firmly believe that we can take a wide variety of approaches, including outright protectionism through heavily subsidized markets, both domestic and foreign, in the hope that we will eventually run our competitors into the ground and be left with highly lucrative markets. Then again, on the strength of economic theories and in keeping with absolute principles of free trade, any subsidy program which, one way or another, would protect our existing markets or industries could be opposed.

I think that extreme measures seldom reflect a balanced economy, and the policy we have followed so far is the best: first and foremost, we want our food producers to earn a decent living and to be efficient, so we are prepared to help