

Supply

practices that the EEC has involved itself in, or Japan, or other countries as well. This is a multi-way process. Everyone is going to have to give to some extent to get a satisfactory result.

We are well aware of the importance of supply managed commodities. Poultry and dairy, major sectors in Canadian agriculture, contribute about one-fifth of our total farm cash receipts. We know that supply management has provided a strong measure of stability to poultry and dairy producers, and it is going to continue to be an important instrument of our federal agricultural policy.

The Deputy Prime Minister, my colleague, made a speech yesterday in which he outlined some of the annoyances he felt as a result of some of the things that have occurred with respect to U.S.-Canada relations in trade matters as they affect agriculture. One can understand his annoyance. We think that with the U.S.-Canada Free Trade Agreement in place both sides should be able to approach these disputes in a larger spirit so that they did not all have to be settled as though they were legal cases that somehow had to go to a court to be settled. Nevertheless, it is a great advantage to us to know that many of these disputes are now going to a binational dispute panel on which we will have representatives so that we have a fair chance of getting a better result when trade disputes occur in the United States of America.

I might point out that the processed food industry is gearing up to take advantage of the agreement. Statistics Canada figures show investment intentions in food processing are up 15.4 per cent this year to \$1.3 billion, an increase from \$1.1 billion in 1988.

However, as the Deputy Prime Minister pointed out yesterday, we share the concerns of industry about certain recent actions in the U.S. that we think run counter to the spirit of the trade agreement. One of the silliest areas are the threats by U.S. Durum producers with respect to the sales of Durum by us to the United States market. We believe that U.S. Durum producers are away ahead in the subsidy game. We believe that the subsidies they receive amount to something like \$40 to \$50 a tonne more than any subsidy that could be alleged to exist with reference to Canadian Durum producers. We think, as well, that the U.S. export enhancement program is a significant factor in depressing prices in

world wheat markets. That is why this agriculture negotiation is so important and so necessary.

• (1650)

It is regrettable that neither the Official Opposition nor the unofficial opposition, neither the opposition party that does not have a leadership contest on at the moment but has simply been without a leader for a number of months and is more than satisfied because it does better in the polls without a leader than it does with one nor the other party that has Snow White and the Seven Dwarfs running around the country trying to compete for the leadership of their parliamentary rump, has made one solid contribution to this debate as to what our policy should be either in the MTN negotiations or in the agricultural field generally.

All we have heard is the usual shibboleths, half-truths, distortions, and gobbledegook about the U.S.-Canada Free Trade Agreement. They do not even realize that it is enacted now, it is passed, it is entered into. It has been in effect for 10 months. Chicken Little was wrong. Chicken Little Turner ran around Canada saying that the sky was going to fall if we had this agreement and now the Canadian people—

Mr. Milliken: You can't call him names here.

Mr. Crosbie (St. John's West): The right hon. Chicken Little Turner ran around saying the sky would fall if we enter into the U.S.-Canada Free Trade Agreement. It has not fallen. The sun is brighter than ever. The opportunities are endless, and I thank you for allowing me the time to speak.

Mr. Foster: Mr. Speaker, I was very interested in the genial comments of member for St. John's West, the Minister for International Trade. He talks about listening to some sense. I was very interested in his comments that it was never expected that the free trade deal would do away with countervail and American trade actions.

It is rather interesting that he is saying that today. He really made a lot more sense in a St. John's board of trade meeting in July 1987 when he said: "Unless we get out from under the threat of countervail and other U.S. trade remedy law, unless there is an effective dispute settlement resolution to bind the Americans to their commitments, a free trade deal with the United States would be not a good deal for Canada." I think he was making more sense then than he is making now. We always thought he was deteriorating, but this proves it.