

Supply

weather, they move because they can make higher profits, because the cost of business is lower.

The federal government did not help the situation because it allowed Canadian interest rates to soar and the value of the dollar to climb, making exports less profitable. The Canadian food processing industry has been particularly hard hit by this trade deal. In order to have a prosperous food industry you need two things, protection for your producer and protection for your processor.

Before this deal Canada had both. Supply management allowed farmers in the dairy, egg and poultry sectors to earn a decent return on their investment while ensuring a secure supply to customers and industry at a reasonable price. As well with some import duties our food processors were able to make a fair return on their investment while providing jobs for Canadians.

Now, with the deal, the protection for our food processors has been removed and what do we see? Something like 80 Canadian food processors have closed up shop and moved to the U.S., throwing thousands of Canadians out of work.

What the Americans could not get through the trade deal they are trying to get from the GATT by challenging our supply management. It is a small miracle that there is any food industry left in Canada at all.

The Liberal Party has always believed in a competitive and prosperous Canada. With co-operation between business and labour and the right policies from government, Canada can provide a prosperous future for our children.

New Democrats refuse to recognize the reality that the U.S. is our largest trading partner and that we should work toward a favourable trading arrangement with the Americans.

The government should seek to improve the trade deal with the U.S. Sadly we know this government is unwilling or unable to stand up for Canadian interests. That is why after the next election a Liberal government will stand up for Canada in renegotiating the deal and if we cannot reach a favourable agreement then we will invoke the six month withdrawal clause.

It would be foolish to slam the door shut on our largest trading partner without first seeking to solve our problems. Heavy dependence on one partner is never wise, but it will take time before we can develop markets to move into.

The government wants Canada locked into a deal with the American giant without looking at the consequences. The New Democrats want us to abandon \$200 billion in trade. That is not possible.

What is possible is the Liberal position of negotiating a better deal with the United States and through multilateral agreements expand our trade options.

We cannot go blindly into the future. We must develop a balanced approach that favours Canadian interests and Canadian jobs.

Mr. René Soetens (Ontario): Madam Speaker, I appreciate the comments that the hon. member made—

Mr. Boudria: Yes, they were excellent.

Mr. Soetens: In fact they were excellent from his perspective. They were very well delivered and I compliment him on it.

The question I would really have is that he talked about a better deal, that the Liberal Party would negotiate improvements to the deal. But as I listened to his speech, I did not hear him comment about what those improvements were.

Rather than leave it up to the electorate to elect the hon. member's party and after the fact say: "There, now we are elected and we have dotted that *i* which was not dotted before, that makes it a better deal," I would be curious if the member could give me three or four examples of very clear things that he thinks ought to be improved upon.

Mr. MacAulay: Madam Speaker, I thank my hon. colleague from across the way. There are a number of things. We certainly have to find out exactly what is going on. Here we are involved in a trade deal with a nation that is ten times our size and we have not established yet what a subsidy is.

There are many things that we have to do just to find out exactly where we are.