

country that there would be no discussions on agriculture. The Government began by saying that agriculture was not on the table and then amended that by saying that the marketing boards and structures were not on the table. When we look at the tentative agreement which was presented in this House some days ago we see that neither was the case.

We learned last week that the American interpretation of what the agreement says is somewhat in conflict with that of everyone else. In spite of the clause which appears to represent a commitment by both parties not to engage in subsidization of exports to third countries to which the other party to the agreement sells, Canada's sales to the U.S.S.R., China, and India were put in jeopardy last week by the offer by the United States of a continuation of their Export Enhancement Program into those markets.

• (1120)

This is something that seemed to be very clearly contrary to the agreement that had been signed just two weeks before. That has not yet been cleared up and it is one of the issues we wish to highlight in the debate on this motion today.

There is also a question as to whether the over-all agreement will be more helpful to our country or to the Americans.

This morning I wish to briefly refer to a study by the Economic Council of Canada before I deal with the points in my motion. The Economic Council uses the econometric models and shows that some 355,000 jobs may be saved according to their perception of the free trade arrangement with the Americans. I want to caution the House about this particular study because the same econometric model was used by the same people to produce the results by the University of Maryland study which, with the exception of a couple of assumptions, showed quite clearly that the Americans would gain from a free trade agreement, particularly those aspects involving agricultural products. The Americans would gain more access to Canada's markets for fruits and vegetables and those products now under marketing boards such as chickens, eggs and dairy products. I remind the House that the Americans already show a trade surplus with Canada in those particular goods in agricultural trade. The University of Maryland study shows that this surplus in trade would be augmented and strengthened.

The Economic Council study was based on some different assumptions and even contains some figures that would indicate to the layman that there would be some 7,500 to 7,800 fewer jobs lost in agriculture than would be the case without the agreement. The drafter of the report told me that this does not really mean there will be jobs created but that jobs would not be lost quite as quickly. Therefore, when the Government tells us that 355,000 jobs will be created, it is not what the Economic Council intended and is not the way the report should be interpreted. It simply means that 355,000 jobs may not be lost as quickly as before the agreement.

### *Supply*

I questioned this study because it appeared to the layman that 7,500 to 7,800 jobs would be created in agriculture as a result of this agreement, which is a complete reversal of the trend of annual job losses in agriculture that has been in effect since the 1930s. The technicians who prepared this report assured me that those losses would continue and this agreement would not reverse that trend. This figure represented an estimate of a possible decrease in the number of jobs lost.

The assumptions made in that report were not the same assumptions with which we are now dealing. Therefore, as far as agriculture is concerned, that report is of no use to the debate at all. I simply wanted to refer to it in order to make that point very clear at the beginning.

**Mr. Gormley:** Logical gymnastics.

**Mr. Althouse:** It is not logical gymnastics. It is simply putting facts on the table. If people wish to refer to the Economic Council report they should do so on the basis upon which it was presented and on the basis of the assumptions that the report used, none of which fit the proposed agreement that is before us. I invite the Member to check it out.

**Mr. Gormley:** Sour grapes, Vic!

**Mr. Althouse:** The Member mentions sour grapes. I will get to the sour grapes in a moment.

**Mr. Riis:** Tell that to the grape growers.

**Mr. Althouse:** Indeed, it leaves a sour taste in the mouths of the grape growers who are on the Hill today advocating the removal of the aspects of the trade agreement that affect their industry which will, in effect, wipe them out over the next seven years.

Let me review the points I have listed in my motion. We believe the proposed agreement will lead to the elimination of our two-price system for wheat. This is not only my assessment of the agreement, it is also the assessment of Grant Devine, Premier of Saskatchewan, who is an avowed free trader and supporter of the agreement. Even he realizes that the agreement will do away with the two-price system for wheat for which Canadian farmers have fought long and hard.

The agreement undermines to some extent the powers of the Canadian Wheat Board by removing the import licensing provisions which the Board now has for oats and barley and which it used to have for the importation of wheat and wheat products before the Government took office. The removal of those powers undermines the authority of the agency to establish prices for those three grains in Canada.

The agreement reduces the growth of supply management marketing boards. It is in this area where I believe those farmers who produce under supply management marketing boards feel most betrayed. The Government has essentially decided that the amount we now produce in Canada under those marketing boards, including the poultry boards, egg