

Supply

milling operation in Lethbridge and does not have to comply with the quota or negotiate a price below the Canadian Wheat Board price, how long will the Canadian farmer living outside of Lethbridge be able to put up with that situation? The Montana farmer can deliver as much wheat or other grains, oats, barley, as he wishes into that milling operation in Lethbridge, whereas the Canadian farmer living a few miles from the milling operation through his Wheat Board quota book can only deliver up to his quota level and, of course, at the Canadian Wheat Board price. I just do not think that that situation will last very long. In fact, there will be an incredible demand on the part of the Canadian farmer to deliver to the milling operation on the same basis as the Montana farmer.

● (1200)

I submit that the strength, resilience, and ability of the Canadian Wheat Board to maintain the marketing arrangements which we have had for some 40 years or 50 years will be markedly reduced by the agreement. Clearly there are many aspects to the agreement which will be extremely harmful. In my opinion none is worse than what will happen to the fruit, vegetable, and wine industries. There has been a deal made by the President of the United States and the Prime Minister to destroy the Canadian grape industry. No other sector of the agricultural economy has been dealt such a blow. All we have to do is read the recent reports by Canadian Grape Growers and the Canadian wine industry which indicate that next year they will be cutting back on the purchase of Canadian grapes. I am told that the industry provides employment in the order of some 12,000 to 15,000 part and full-time jobs in Ontario and some 5,000 to 6,000 in British Columbia.

Similarly, seasonal tariffs in the tender fruit industry will be wiped out, unless the industry retracts, regresses, and is not growing. Even if it is growing, it will only have a snap-back provision which will be quite ineffective in protecting the industry. It is not that these growers are not dynamic, effective producers; it is just that their crops come into play a few weeks later than those of California and other tender-fruit-growing areas which, as a result, get the peak of the market at the first of the season. However, as it goes down, Canadian commodities come on the market. The tariff on processed fruits will be removed, and we will see industries in southwestern Ontario moving to the United States because at present they live with the protection of tariff arrangements.

The poultry industry will be severely affected. In fact, the 12.5 per cent duty on poultry meat will be removed, so TV dinners, chicken pot pies, and the like will move into the Canadian market. The quota for poultry meat will be increased by some 20 per cent. Likewise, producers will be allowed some four million additional dozens of eggs. Pressure will be put on the industry as a result of the wide-open arrangements for foreign investment in Canada to which the Government agreed in the agreement.

We will see a takeover of Canadian processing and manufacturing industries such as we have never seen before. I

predict that the poultry and feather industries will be adversely affected.

I thought it was very instructive that yesterday in the House the Minister for International Trade made remarks about the case before the GATT dealing with wine pricing by suggesting that in fact Canadian producers had discriminatory pricing or some unfair advantage. It seems to me that that prejudices the hearing before the GATT. Of course, placing all that in the agreement adversely affects these negotiations.

I would like to refer to another aspect of the trade agreement. I would not want to call it a free trade agreement. What is free about it? Wine producers and grape growers will be wiped out. The breweries are not affected, so it depended upon who the Government decided to wipe out in the agreement. I think this aspect is of great concern to Canadian hog, beef, and other commodity producers. The Government portrays this agreement as a tremendous opportunity to bust into United States markets. However, two or three studies which have been carried out by the Government indicate that if the agreement is ratified the Canadian dollar will appreciate to some 90 cents or 95 cents compared with the American dollar. If that in fact happens, the impact for many of our producers would be extremely negative. The impact of the loss of the 25 per cent or 35 per cent exchange rate will have an extremely adverse effect upon primary producers. Certainly that would be the case in the Canadian hog industry.

Apparently negotiators of the agreement with the United States tried but were unsuccessful in their attempt, if they attempted, to negotiate away the 4.3 cents per pound export countervail duty which the United States has had on Canadian hogs. If we had an agreement through which we were trying to make a free trade area of Canada and the United States, surely we would have tried to negotiate away that countervail duty. In fact, we did not. Canadian hog and other producers are still subjected to the countervail duty. The countervail duty could be imposed on pork. It could be increased on hogs. It could be imposed on potatoes and on other commodities. The agreement and the binational commission which has been established do not in fact prevent that from happening with resulting long negotiations.

I think the agreement is very unequal. Canada gives up in many sectors. Canada does not get a binational commission up front which deals with disputes. Canada gets the same old International Trade Commission, the Department of Commerce and the rigmarole involved there; a binational commission which will not deliver, in the opinion of very knowledgeable people, any significant improvement in our access to United States markets or to freedom from countervail and dumping duties. In general it opens up our markets and detracts from our opportunities to provide the basic production of food in Canada.

Mr. Wise: Madam Speaker, I have a question for the agriculture spokesperson of the Official Opposition. If not all Members of the House, certainly a majority of them, would