

*Canada-U.S. Free Trade Agreement*

Basically that it is going down the drain is what the doomsayers have been saying for several months.

I would like to draw to your attention, Madam Speaker, just what some of the companies in the food processing and the agricultural industry are doing in this country right now. Cargill, for example, which is the biggest privately owned corporation in the United States, is investing massive amounts of money in Canada this very moment. That is not being done for the Canadian agricultural industry. It is not being done because Cargill thinks the industry is going down the drain or the food processing industry is going down the drain. Cargill knows that we are going to benefit from this deal. It is a building a large new processing plant in Alberta at present. It has just bought Cyanamid and the grain division of Maple Leaf Mills.

Very clearly, multimillions of dollars of investment has been made in Canada in 1988, getting ready for a very vibrant agricultural industry that will exist here in the future. Gainers, Canada Packers, and Cold Spring Farms are all currently modernizing or building new meat processing plants here in Canada. General Foods, a major international food processing company, is going to invest \$25 million in Canadian food processing plants in 1989. Campbell's Soup is doubling its investment to \$15 million. Quaker Oats is going ahead with a \$15 million expansion of its plant in Peterborough to process more Ontario and Canadian-grown oats to send breakfast cereals into the United States market.

It is quite a different story than the one heard hour after hour from the people on the other side of the House. The Opposition is saying that the food processing industry is going to leave Canada. Much of the industry is saying exactly the opposite. We will see precisely what we have seen in the automobile industry, I suggest. We will see them, and I repeat the words I have already used twice in my speech tonight, they will rationalize, specialize, and increase their production here in Canada to markets around the world.

**Some Hon. Members:** Hear, hear!

**Mr. Stevenson:** I want to draw to your attention, Madam Speaker, just briefly a report that came out in December, 1988. It is entitled *The Road Not Taken*. Maybe a better title would be "The Road Not Yet Taken—An Opportunity For The Canadian Grains and Meat Industry". The report says that we must sell wheat as bread, as cookies, and Durum wheat as pasta. We do not need to sell them as grains any more. We now have the opportunity to merchandise those products in a

value-added form and keep some of the jobs that are now outside our borders and inside our borders.

That is the future at which the Canadian food processing industry is looking, not the sort of story we have heard from the Opposition at great length. If there is such a thing as a resources sell-out, that is what we have today. We will see in future the production and processing of our resources into products, food products, furniture, petrochemicals and the processing of our fish here, as we have heard from many Progressive Conservative speakers all across the country. They have stated that our raw materials are going out of the country in raw form. In future we will see them going out as value-added products and giving jobs to Canadian people.

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I firmly believe that supply-management commodities which have received so much attention are protected under the Free Trade Agreement. At the moment a new supply-management marketing board is being developed in Canada. That system of laws that allows farmers to determine what marketing system they want to select is still in place. They have used it in the past and, if they wish, they can use it in the future. Canada is acting to increase the strength of Article XI under GATT which allows us to have that supply-management marketing system.

Our laws still exist in agriculture which will allow us to protect all areas of that marketing system, whether one is talking about the Canadian Wheat Board or supply-management for dairy and poultry products.

It is also interesting to note that in the whole resources area, agriculture and otherwise, every single group that has had a trade dispute with the United States over the last several years is in favour of the Free Trade Agreement and the dispute settlement mechanism which exists under the free trade Bill. It is not perfect, but it is far better than what those groups have had to deal with in the past. Broad support from lumber, agriculture, fisheries, and steel clearly indicates that we have a Bill here which is a great improvement over what was available in the past.

In summary, I believe that the real issue in all our discussions tonight, and over the last days, is the fear of the future. We in the Progressive Conservative Party do not fear the future. We look at the future as challenges and opportunities. Unlike the other Parties we have confidence in our leadership. We have confidence in the men and women of our Party. We have confidence in the