

• (1150)

The Secretary of State for External Affairs (Mr. Clark), who had the senior responsibility with regard to the trade agreement with the United States, when questioned on his views on free trade stated:

Unrestrained trade with the U.S. raises the possibility that thousands of jobs could be lost in such critical industries as textiles, furniture and footwear.

At the same time the Secretary of State (Mr. Crombie) when he was asked to comment on free trade stated, "It's silly".

When comparing the Tory view of free trade in 1983 and 1984 with what they are doing now to the country with this agreement with the United States, it is unbelievable. There is no question that there was never any mandate.

In the actual negotiations period it was repeatedly suggested that agriculture would not be on the table. The Secretary of State for External Affairs commented to that effect in January, 1985 or 1986. Yet today we have a free trade agreement that touches most areas of agriculture.

If we look at it in balance, what did we get and what did we give, obviously we gave a lot; in some sectors, completely everything, in other sectors, nibbling away at the powers of the various agencies and the policies of the Government of Canada. What did we get in return? We did not get very much. We certainly do not have unrestricted access to the United States market. We still have dumping duties and countervail duties by the United States. We have a binational disputes handling mechanism. Every legal authority that I have read has stated there is effectively no change in the powers and the prerogatives of the United States Government to impose countervail duties or dumping duties as it has done on many Canadian products for many years. We do not gain the binational panel.

A few months ago we had a briefing from one of the senior trade negotiators. He said there was going to be a binational panel up front where either country could take complaints for resolution by an independent tribunal. In fact, pork producers, potato producers, or producers of any other commodity that has a dumping duty or countervail duty imposed upon it, still has to go through the whole process of the countervail duty, the analysis by the Commerce Department in the United States, and the final disposition by the International Trade Commission of a countervail duty. Those producers are no longer able to take the dispute to the International Trade Court of the United States for adjudication. They are no longer able to go to a GATT panel. There would be this binational panel. Most legal authorities say that the access by Canada would not be appreciably changed. Clearly, the impact will be severe in many sectors of agriculture.

Our international relationships are even more interesting. If we look at what was negotiated in the agreement, it is clear that we did not get an exemption by the United States from its export enhancement program where it is spending several

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billion dollars to take away markets that Canada has had in the past. It agreed to take our export interest into account, but that is all.

If one reads the statements made by United States senior officials during the last few weeks, in fact it takes us into little account because the officials in the United States Agriculture Department have made it clear that they will be using the export enhancement program in a ruthless manner. This not only takes away traditional markets of Canada, but any market. This trade agreement only requires them to take it into account. They have already indicated that they will not take it into any serious account.

Clearly the two-price wheat system will be destroyed. The Minister for grains and oilseeds denied that in the House a few weeks ago. The Minister for International Trade (Miss Carney) suggested that it would be destroyed. We have to go to the Saskatchewan Legislature, where the Premier of Saskatchewan, a bosom buddy of the Prime Minister and fellow Tory, has stated that the two-price wheat system will be destroyed and that the federal Government will be providing full compensation. It was nice to hear from the Saskatchewan Premier and Minister of Agriculture that the Government of Canada will pony up \$280 million to compensate Canadian grain producers for their loss of the two-price wheat system. But it would be nice to hear it from the Prime Minister here, or from the Minister for grains and oilseeds, and not have the shilly-shallying around which has been going on.

In other areas of the agreement the Government is sending a signal to the world that the Western Grain Transportation Act is a subsidy. Obviously, other countries will take that into account, because in the agreement they have agreed to remove the Western Grain Transportation Act assistance from the grain which goes into the Pacific northwest. That would happen immediately in January of 1989. Whatever tariffs are there would be phased out over a several-year period. This will cut us out of that market. We have some 300,000 tonnes of grain a year going into that market, from the information that I have been provided by the wheat pools.

The \$280 million which is going into the farmers' pockets now with the two-price wheat system, not only benefits western farmers but farmers in Ontario. The Ontario Wheat Marketing Board has made it clear that the cost to it is in the range of \$30 million. It is very upset at the loss of those revenues at a time when other revenues are down in any event.

With regard to the Canadian Wheat Board, we are told that within a very few years, certainly as soon as the funding is reduced for the American Farm Bill, that wheat will be able to come across the border without licence from the Canadian Wheat Board, except a cursory provision of licences for end-uses such as milling, feed-lot operations, malting, and so on. It seems clear to me that the powers and the prerogatives of the Canadian Wheat Board will be lost.

I put the question to you, Madam Speaker, if a farmer across the border in Montana delivers wheat or grains to a