

Oral Questions

make a few announcements in May in its budget and we will make other announcements.

But we have to work with the reality. It is what we do. Nobody wants the layoffs and the job losses that we have in Montreal. We are working on it, but we have to work in such a way that those jobs will be permanent, will help Montrealers and the great city that Montreal has always been.

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TRADE

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, my question is for the Minister for International Trade.

Sometime after May 1, American wheat will begin entering Canada without restriction as a result of the free trade agreement. Regrettably, once this occurs the decision can never be reversed. This cause has been triggered partly because American subsidized grain sales have directly affected traditional Canadian markets in violation of the free trade agreement.

Will the government today advise the U.S. that American wheat will not come into Canada freely and that an action will be commenced against the U.S. for a violation of the free trade agreement under article 701.4?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, when the U.S.—Canada Free Trade Agreement was negotiated, Canada received an advantage because it was agreed that Canadian wheat and other grains would be eligible to be exported to the United States without impediment.

• (1500)

At the same time, American wheat and other grains would not be exported to Canada freely until such time as any subsidies received by American grain farmers with respect to American grains were at the same level as the assistance given by governments to Canadian farmers.

Now, after several years of the agreement, the situation changed with respect to oats, as I recall it, a year or two ago. American oats had been permitted to be exported to Canada under this arrangement. If American assistance for wheat is no greater than Canadian assistance in the coming year, American wheat would be

eligible to be exported freely to Canada. Is there anything more fair than that? We have had the advantage, if anything, for the last two or three years in selling our wheat and other grains in the United States. If the American subsidy level decreases and becomes the same as the Canadian subsidy level, surely they are entitled to be able to sell their product up here in Canada. Could anything be fairer than that?

Mr. Rod Laporte (Moose Jaw—Lake Centre): That clause has been invoked because the United States has violated the free trade agreement. The Canadian Federation of Agriculture, the National Farmers' Union and Prairie Pools and others have all been calling on this government to act.

It is clear that U.S. subsidized grain sales have hurt our traditional markets and have violated the free trade agreement. When is this government going to finally stand by Canadian agriculture and give farmers the support it promised them when it announced the free trade agreement in the first place?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I have just explained how the free trade agreement worked to the advantage of Canadian farmers. The present estimates of support by government in both countries are still preliminary. This year, American levels of support may or may not be higher than Canadian levels of support. That is a different issue than the abhorrent American Export Enhancement Program which they devised to assist them in competing with the European community, which has an even more abhorrent system of subsidizing exports. While they are battling the European community, they are not paying sufficient attention to who their friends are. We certainly do not agree with that procedure, but with respect to the main question of the hon. member, we were treated very well under the free trade agreement. We have had the advantage and we will have to see what happens in the future.

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PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to the members' attention the presence in the gallery of a parliamentary delegation from Hungary, led by Dr. Ibolya David, member of Parliament of the Hungarian Democratic Forum.