

eliminated as a way of life because of this free trade deal is something that I do not think we can tolerate. I do not think we can sit back and accept that. That is the presentation that they made. That is the fact of this matter. We are talking about thousands of people losing their livelihoods.

These people are special because, as you know, Madam Speaker, their operations are in a part of Canada where land use regulation is very extreme. These areas have been identified as some of the few good agricultural areas in Canada. The climatic and soil conditions are conducive to the development of soft tree fruits and related agricultural products. So land use regulations have been brought in to keep that land in that use. These people now find themselves in a situation in which the Government has decided that it will eliminate the grape growers and, to a large extent, all of the soft tree fruit industry as well as a result of this free trade deal. But these people are locked in to lands that are regulated or zoned for agricultural use only. So they cannot even sell their property. They cannot redevelop into other areas because of the land use regulations.

I can only describe it as a personal tragedy for myself to have to listen to person after person explain what this deal meant to them. I suspect that if we had an opportunity to sit down with agricultural groups from Nova Scotia clear through to Vancouver Island we would be seeing people and talking to people expressing that same view. They would express the fact that they and their forefathers had been on the land, in some cases for many generations, and they now find themselves in the intolerable and unacceptable position of having to abandon their livelihoods and their agricultural commitments.

Many aspects of this trade deal concern us. We were anticipating, of course, that the binding dispute settlement mechanism would have been brought in so that when countervails were levied against certain agricultural products we would have a neutral objective third party that would arbitrate and decide on that so-called aggravation. Such is not the case. The binding dispute settlement mechanism is no more than a review panel which will simply review whether or not American laws have been broken.

I think it is fair to say that if an American lobby group launches a countervail process it will ensure that the laws of the United States are being followed. That brings us little comfort because the laws of the United States are extremely protectionist. They have a built-in bias against imports coming into the United States from Canada. For those in the red meat industry, where we have always had free trade for all intents and purposes, they are still subject to the countervail threat. The Americans can look up into Canada now and identify what they determine to be subsidy programs for our beef producers and our red meat processors. If they determine that we are subsidizing, then of course they can launch a countervail. We were under the assumption that a free trade deal would have removed that continuous threat. We notice with hogs that the retention of the 4.4 cents per pound countervail stays in place against live hog shipments to the United States.

### *Supply*

We were particularly alarmed when we found out the other day that the United States had broken the agreement already. This agreement is in place. It has been signed and both countries have agreed to adhere to the clauses in the agreement. The clause I refer to states that each party has agreed to take into account the export interest of the other Party in the use of any export subsidy on agricultural goods exported to third countries, recognizing that such subsidies may have prejudicial effects on the export interests of the other party.

What we found was that the United States, which has heavily subsidized its grain producers, has now taken initiatives to move into the grain markets that have traditionally been those of Canada: the Soviet Union, China, and to a certain extent India. Now that country is bringing in products, heavily subsidized, into those markets, which will result in one of two things. We will either lose sales to those traditional areas, or in order to compete we will have to drop the price so much that it will make the whole thing totally uneconomical. Those will be the two choices. Either way the Americans have broken the agreement.

• (1620)

When this was raised in the House with the Secretary of State for External Affairs (Mr. Clark) he stated that he was going to have a chat with the Secretary of State for the United States when he met with him on the weekend. Having a "chat" is little comfort to those thousands and thousands of grain producers who see the United States breaking the agreement that we signed only a few days ago.

I found it interesting reading the University of Maryland study which looked at this particular trade arrangement in relation to agriculture. They determined that, as a result of this trade deal, it would be very good for United States farmers. As a matter of fact, they stated that it would be excellent for United States farmers because those farmers will now gain access for fruit, vegetables, chicken, turkey, eggs, and many other products, where, until this point, they had been cut off through border restrictions of one type or another. They identified as many as 355,000 jobs in the United States that may be preserved or expanded as a result. Again, that brings us little comfort in Canada.

We have heard that the United States intends to subsidize its agricultural sector. Last year the United States Export Enhancement Program, and other subsidies for agriculture, amounted to \$1.5 billion. That is a great deal of money, and in many areas that made it difficult for our exporters to compete with the United States. Consequently, we were hoping that those farm subsidies would be reduced. To our dismay, we have found that not only have they been increased, but they have been significantly increased. This coming year the United States will subsidize its agricultural sector to the tune of \$4 billion. If we think that in the past we have had difficulty competing with the United States in agriculture, we have not seen anything yet. Those heavily subsidized products will cause us trouble in the market-place.