

### Supply

result in increased processing in Canada, processing that would result in jobs. This will result in jobs in the United States. The processing and production will be done in the United States. I doubt very much if the benefit of those imports will be passed on to consumers since these people are now holding the import licence and, in effect, the import quota. It will be a great opportunity to convert those imports into profits. I see very little chance of that being passed on to consumers by way of lower prices.

**Mr. Rodriguez:** Madam Speaker, a little while ago the Minister rhymed off a litany of all those people who were supporting the Prime Minister's (Mr. Mulroney) free trade deal. I noticed he did not touch on the wine producers or the grape growers. I want to ask the Hon. Member if he would comment on the consideration of the Government in this free trade agreement of actually labelling those in the wine industry and the grape growing industry as losers. That is what it is doing. It is blithely writing them off as losers and forgetting the implication and the depth of that industry, as well as the importance of it to Canada. I wonder if the Hon. Member would comment on that point.

**Mr. Althouse:** Madam Speaker, I think it has been fairly clear to grape growers that this particular agreement is not going to be something that will leave their industry untouched. In fact, many of them believe that this will be the end of their industry and that the crop that they are now taking off will probably be the last for many of them.

There is a great deal of change-over that will have to be undertaken if Canada's grape and wine industry is to be competitive. The immediate effect will not hit until the seven-year phasing-in period. Whether more northerly produced grapes will be able to produce wine that will be competitive with those produced in southern California or Europe is a moot point. My understanding of the way grapes develop is that they need heat and sunshine in order to produce the necessary level of sweetness to produce the best kinds of wines. Our climate does not always measure up to that requirement. As a result, I think it is fairly clear that the Canadian grape and wine industry will be pretty nearly devastated by this agreement over the course of the seven-year implementation period. Consumers will most likely be consuming American wine which is produced in very large wineries.

My information notes tell me that the Gallo Brothers winery will produce most of what the Canadian market needs in about seven or eight days' production. So the chances of that happening are very high indeed.

**Mr. Belsher:** I have listened with interest to the Hon. Member for Humboldt—Lake Centre (Mr. Althouse). While I have always admired his critiques from the point of view of his agricultural portfolio, I nonetheless find some passing interest in the fact that a few weeks ago he was saying that it was the marketing boards that would be destroyed. Now he has it that the marketing boards are not going to grow quite so much. He has been able to adapt to the reality that the marketing system

has been protected in this agreement. That is something that is very vital. The marketing system has been preserved. That comes through loud and clear.

The Hon. Member mentions scare tactics about TV dinners being the things that will start to roll across. That is precisely what will not be allowed to happen as a result of the agreement. I do not know how he can turn around and make these misrepresentations to the Canadian people as to what will happen. He is starting to read between the lines, and again his doom and gloom comes through loud and clear.

The Hon. Member made specific reference to the dairy industry. When I read the agreement I see that the very items that he does mention can be put on the global import control list. Will that not give us the protection that the Hon. Member is so quick to say is not there? Why does he turn around and make misrepresentations on dairy products, the subject about which he is speaking this morning?

**The Acting Speaker (Mrs. Champagne):** May I ask the Hon. Member, since the time has elapsed, to please give a short answer if at all possible.

**Mr. Althouse:** I will be very brief, Madam Speaker, in light of the time. The import control list is still an activity that we think we can maintain. However, using the import control list does not comply with the over-all sense of the agreement. We will not be able to continue to use export control lists of any kind if we are going to live up to some of the earlier phraseology in the agreement. I think it runs contrary to the spirit of the agreement. So I have assumed that we are intending to live up to the high-flown phrases at the beginning of the agreement and that eventually the use of the import control list will be phased out.

**The Acting Speaker (Mrs. Champagne):** Resuming debate with the Hon. Member for Algoma (Mr. Foster).

**Mr. Maurice Foster (Algoma):** Madam Speaker, I am delighted to have a chance to speak in the debate today dealing with free trade in agriculture. I think we approach this debate from the point of view of a complete reversal of what the Prime Minister (Mr. Mulroney) and most of his senior Ministers told the people during the 1984 general election campaign.

At that time, in responding to a question from a reporter from *Maclean's* magazine, the Prime Minister said:

Canadians rejected free trade with the U.S. in 1911, they would do so again in 1983. Canada must increase its share of total world trade—

If we look at the words of the Minister of Finance (Mr. Wilson), who rushed off to Washington after the agreement had collapsed, at the behest of the Prime Minister, and who was running in the same leadership race at that time, we will see that he said:

Bilateral trade is simplistic and naive, it would only serve to further diminish our ability to compete internationally.