

Supply

Let us not ignore the facts. While it may be premature, it appears at the moment that it is an industry in agriculture that has attracted the attention of the Americans as a result of the pricing mechanism of the provinces. It appears, at the moment, that there is no doubt it could well be a sector of our agriculture industry that did not fare very favourably under the Canada-U.S. agreement. We will not walk away from them today. We have not walked away from them since day one. We are quite prepared to sit down with the provinces and the industry to try to map out some kind of strategy to assist them.

Mr. Riis: Madam Speaker, I am pleased to hear that the Minister of Agriculture (Mr. Wise) recognized the position in which the Canadian wine industries and the grape-growers in particular have been put and that there is some difficulty there. He will be well aware that there are over 16,000 people involved in that industry.

Mr. Wise: Well—

Mr. Riis: Full and part-time jobs because there is a great deal of part-time work. Let us say that there is 12,000 full time and another 4,000 part-time jobs, plus many more as a result of the multiplier effect.

He will also know that the farm gate receipts for the 1986 grape crop in Canada was in excess of some \$40 million. There is also a multiplier effect that is significant when it comes to this industry. We are probably talking about at least one-third of \$1 billion in terms of money generated because of those farm gate receipts.

Mr. Wise: I do not know about that.

Mr. Riis: The multiplier is nine to ten. If there is some dispute about that by my hon. friends opposite, perhaps they can explain what multiplier effect they would use. I use nine or ten, which is provided by Agriculture Canada and the industry.

I believe it is fair to say that the grape growers of this country believe that their industry will be wiped out if this deal is signed, to say nothing of the soft tree fruit industry and others which we will deal with later.

Does the Minister agree that this agreement will be detrimental to that industry and will essentially devastate the majority of it? What does he plan to do about that, or is he prepared to throw these 16,000 people on the scrap heap as the price the Government is prepared to pay? I am sure that is not his belief because he is an honourable gentleman.

What does he plan to do with these thousands of Canadians who in some cases have spent generations developing this industry?

Mr. Wise: Madam Speaker, I quarrel with the Hon. Member's mathematical calculations. However, setting that aside, I think he asks a legitimate question. That is why I spent the last minute or two of my speech dealing with that question.

Politicians, regardless of where they sit, like to deal with positive issues, but I turned that aside and dealt with this question.

As I indicated, at the early stages it appears that the wine industry may be in some difficulty. I have stated publicly before, and will say it again, that we as a federal Government always take our obligations and responsibilities seriously. We will follow that same pattern with the wine industry. We are quite prepared to sit down tomorrow with the provinces, since it is really the provincial pricing mechanism and mark-ups that have caused the problems. Today, the Hon. Member's challenge is as a result of the Canada-U.S. agreement. Who knows what might occur when the GATT panel rules.

Agriculture is a joint responsibility under the Constitution. It is shared with the provinces. The federal Government would like to include the producers of all commodities in that partnership. That is how we have operated since day one and the way we will continue to operate with that policy.

If the provincial governments want to sit down tomorrow, I am available. However, the people in the industry should also be at the table. It is the people in the industry who will be able to assess the impact.

There has been some positive response from the wine industry. For instance, they will have greater access to the U.S. market, and with proper types of grapes and proper types of wine, access to the U.S. market may provide some opportunities.

I am sure there will be some opportunities, but the Hon. Member calculates a worst case scenario. It is somewhere in between there at the moment. We are quite prepared to sit down with the provinces and the industry to map out some reasonable strategy to deal with this problem.

Mr. Althouse: Madam Speaker, the Minister of Agriculture (Mr. Wise) indicated that it was time people began to analyse this deal, not on the basis of politics but on the basis of fairness. I ask him to do that with regard to the five-year averaging formula that is used in the poultry section of this agreement. It has been agreed to go from import quotas of 6.3 per cent to 7.5 per cent, based on five-year averaging.

He should know that those quotas are on an increase scale. While I do not have the proper mathematical formula, I estimate that if those quotas are filled each year between the next six and ten years, our consumption on the basis of these quotas will be at and above 10 per cent. According to this agreement, will we not in fact become dependent on U.S. products because of the economics of production on each side of the border? Will we not become more dependent on imported U.S. products coming in through our processors and wholesalers who now hold those licenses, rather than taking advantage of the increased consumption in this country with our own domestic producers and processing jobs taking up that slack? Does this agreement not open us to increasing imports