

*Canada-U.S. Free Trade Agreement*

The removal of the tariff over a 10-year period provides the industry with a \$22 million benefit in terms of market access but takes from it \$44 million in transportation assistance for that same Pacific north-west market.

Under the agreement, we essentially lose the Pacific northwest market. We give it away. And that is so because the tariff is phased out over a 10-year period, whereas the transportation assistance is lost immediately as of January 1, 1989.

That is the kind of great negotiation we got from Mr. Reisman and his team!

The whole strategy of this Prime Minister is to make a deal at any cost. One has to recall that, when he entered into this deal with the President of the United States, his Party was at 23 per cent in the Gallup poll. He had to have a deal, regardless of the fact that he was giving away our energy, our financial markets, our water. He was willing to give away anything to make a deal, and then he turned around and spent the taxpayers' money to prove what a great deal he made.

That is essentially what happened in respect of canola and oil-seeds. That is exactly what happened in terms of the weakening of the Canadian Wheat Board and other agricultural boards. The concern in respect of the Canadian Wheat Board is very great throughout the West, and in fact is reflected in the election results coming out of western Canada.

There is no area that is going to be more hurt, in the long haul, Mr. Speaker, than the Canadian farm products marketing system.

I was a Member of Parliament in 1969 when we put into place the National Farm Products Marketing Board legislation, legislation which allowed Canadian farmers to put in place a marketing system which ensured that they received an adequate return on their investment, on their labour, on their input costs, on their management skill, on their entrepreneurship, and so forth. And I believe that it has been a remarkable success. It enjoys broad support within the industry.

While it is not without its difficulties, it is a model, compared to what they have in the U.S.

By way of example, if there is overproduction in the U.S. dairy sector, the U.S. Government spends a couple of million dollars over a couple of years to kill off a portion of the dairy herds so as to reduce production. And, of course, it is a system that is unsuccessful, to say the least.

In any event, our National Farm Products Marketing Board has been most beneficial to our agricultural industries, and we on this side of the House believe—and those on the opposite side of the House who are knowledgeable in this area know it is true as well—that, in the long haul, our farm products marketing system will be destroyed by the free trade deal.

One need only look to the election results in southern Ontario, eastern Ontario, southwestern Ontario, and other parts of the country, to appreciate how the electorate feels about this. Many ridings, for the first time in their history, voted other than Tory, and the reason is that the farmers in those areas believe that their marketing boards, their supply-managed system of marketing, will be destroyed should the Free Trade Agreement be implemented.

**Mr. Blais:** That is false; that is untrue.

**Mr. Foster:** There are two methods by which the marketing system is being undermined—it has been very skillfully done. The Tories do not want to take political responsibility for destroying the farm products marketing system, although many of the Tory candidates in the last election were held responsible for it and paid the price of electoral defeat.

What the Tories are doing is they are taking the tariffs off processed foods; and as those tariffs, which range from 7 to 16 per cent, come off it will not be possible to compete with the processed foods coming in from the United States which have supply-managed products as an ingredient—eggs, butter and poultry meat.

One does not have to be a genius to understand that. If one can buy U.S. poultry meat at one-half or two-thirds of the price that one has to pay for Canadian poultry meat, it becomes apparent that Canadian food processors cannot compete with their U.S. counterparts.

The Special Advisory Group on International Trade said to the Government “Look, if you are going to do this, the way to save this industry is to put all of the processed foods involving supply-managed products on the import control list.”

The Government didn't do that and the Government, I predict, won't do it.

The recommendation in respect of processed foods was that anything that had 10 per cent or more by dry weight of a supply-managed product in it be put on the import control list. That was not done. When it was