

Agricultural products are excluded from the amendment dealing with materials in surplus supply. The reason is that there are not any situations for products, other than those already under the control of the Canadian Wheat Board, where Canada would have the necessary strength in world markets to influence the price of a commodity by control of exports.

It is important to note that the proposed amendments in respect of export controls do not represent a departure from our traditional policy of encouraging trade liberalization, or an effort to take unfair advantage of customers for the products of our resources. The fundamental concern in proposing these amendments is simply to see that the full and proper economic advantage is derived from raw or processed materials produced in Canada.

In general it is expected, and it is the government's hope, that export restrictions will not be necessary to encourage increased upgrading of resources in Canada. The government will be looking first for positive means to encourage upgrading of resources prior to export in those cases where it makes commercial and economic sense. For example, if Canada's trading partners would agree in the forthcoming multilateral trade negotiations to reducing trade barriers which presently bear more heavily on processed than on unprocessed products, it could be expected that more value would be added to Canadian resources through further processing prior to export.

During the years ahead, new facilities will have to be established somewhere in the world to process Canadian resources. If it makes commercial and economic sense, this new capacity should be installed in Canada. This is a legitimate objective, and one that can be understood by countries with which we trade. If export controls were required for this purpose, they would, of course, be applied on a highly selective, product-by-product basis, and only after all factors, including long-term trading relationships, had been assessed.

● (1530)

Let me turn now to the proposed amendment aimed at establishing an additional purpose for which imports can be made subject to control, which is:

to restrict, for the purpose of supporting any action taken under the Farm Products Marketing Agencies Act, the importation in any form of a like article to one produced or marketed in Canada the quantities of which are fixed or determined under that Act.

The Farm Products Marketing Agencies Act allows for the creation of national farm marketing agencies to promote strong, efficient and competitive agricultural sectors having "due regard to the interests of producers and consumers." To date, such agencies have been established for eggs and turkeys. Under the act, agencies have the power—for eggs and poultry only—to determine quantities which can be marketed in interprovincial and export trade by setting production or marketing quotas. It is now possible that a supply management program of this kind could be undermined, on occasion, by an influx, or the threat of an influx, of low-priced products from other countries. Therefore, it is proposed to permit the application of import controls, if required, to support the operation of national supply management programs for eggs and poultry. This is not to imply that it would be the

intention of the government, if it did decide to apply import controls on eggs or poultry for a particular period, to attempt to insulate the Canadian market for these products from long-term trends in international prices.

If this amendment is passed, it does not mean that an agricultural product will be automatically added to the import control list because a supply management program is being implemented under the Farm Products Marketing Agencies Act. If the authorities concerned under this act believe that a particular product should be added to the import control list to complement a particular supply management program, they would have to make a recommendation to this effect. The government would examine the case and decide whether or not to recommend to the Governor in Council the desired addition to the import control list, as well as to establish the duration and conditions under which import controls will be exercised for the particular product in question.

Honourable senators, I would point out that the concept of having enabling legislation to apply export and import controls has been accepted in all western industrial countries and Japan. While the details of the laws involved vary from country to country, it is reasonable to say there is international recognition that there are certain circumstances in international commerce to which national governments can respond effectively only through import or export control action.

Finally, the bill proposes the repeal of section 27, since the inclusion of an expiry date in what is, in effect, ongoing enabling legislation is, first, inconsistent with the fact that the act is intended to implement various international commitments, as well as complement other acts of Parliament, which are not subject to expiry dates; and, second, an expiry date leads to unnecessary administrative expense both for industry and government departments, as well as introducing an element of uncertainty in private companies' export sales efforts on long lead-time delivery items with certain potential purchasers.

Canada has various ongoing international commitments that are implemented under the Export and Import Permits Act which are not subject to expiry dates corresponding to the limited duration of the act. These include export control commitments in respect of military equipment and strategic supplies; controlling trade with Rhodesia in keeping with the United Nations resolutions on Rhodesia; implementing international commodity control agreements—for example, cocoa—and administering cross-border arrangements with the United States to facilitate Canadian trade.

The act is also used on an ongoing basis, as required, to complement action initiated by the agencies acting under the statutes named in section 5(b)—the Agricultural Stabilization Act, the Fisheries Prices Support Act, the Agricultural Products Cooperative Marketing Act, the Agricultural Products Board Act and the Canadian Dairy Commission Act. None of these five acts contains an expiry date. In addition, the Export and Import Permits Act is used on a continuing basis for implementing import controls which are deemed necessary as a result of recommendations to the government made under the Anti-dumping and Textile and Clothing Board acts.