

Oral Questions

Hon. Bill McKnight (Minister of Agriculture): First of all, Madam Speaker, the hon. member is not factual when he says that the ability to maintain the supply managed system in Canada was eroded by the free trade agreement.

What the hon. member must recall is the only action since the signing of the free trade agreement that has brought any concern to the producers is action taken under GATT.

The hon. member talks about the erosion of article XI. What the position of the government is and what the position of the producers happens to be, and the position of the provinces involved, is a clarification and strengthening of article XI. The hon. member has to be aware when he looks at the free trade agreement that agricultural exports in Canada have increased—have increased, Madam Speaker—since the signing of the free trade agreement. Canada has exported more to the United States of America under the free trade agreement than it had in the past.

An hon. member: That is news to me.

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, this minister is once again trying to cover up the fact that under the free trade agreement, section 401, his government took away the right of Canada to set its own tariffs on processed foods. If you cannot set your tariffs on processed foods, your marketing supply sector cannot supply the processors.

If the Minister of Agriculture cannot understand that, then he should quit his job.

Considering that the dairy, turkey and chicken producers are now under threat, the grain economy is collapsing, that every Canadian in every region is being touched by this crisis, will the minister undertake to approach the Prime Minister and tell him that we need a national conference bringing together the heads of government of all the provinces and of this government, to develop a national response, a national strategy, before the entire food industry in this country collapses.

Hon. Bill McKnight (Minister of Agriculture): The hon. member may not be aware, but the policy that has been put together by this government over the last two years regarding agriculture was a policy that was developed by the producers, the stakeholders, the further processors, the provinces and the Government of Canada.

The hon. member asks why they are demonstrating on the Hill. There is hurt out there. This government has recognized that hurt. The hon. member asked a question, Madam Speaker, and he keeps muttering while I try to reply.

I appreciate the hon. member's new-found concern about agriculture. This government has put forward—

An hon. member: You did not go to the rallies.

Mr. McKnight: Madam Speaker, the hon. member says I did not go to the rallies. He should check. I did.

An hon. member: I didn't see you there.

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THE ECONOMY

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, my question is for the Minister of Finance.

Today we have seen for the first time in some period two straight months of decline in the Gross Domestic Product. We have seen as far as the quarterly figures are concerned a massive drop in the rate of growth between the last quarter and this quarter. And yet the minister gets up and starts talking not about the problems that we have, but instead about the promising signals in this economy.

I want to ask this minister this. Are the promising signals things like the fact that there are 1.5 million Canadians out of work, or that there are one million Canadian children living in poverty, that our investment is down, that we have a trade deficit in this country, that we have record bankruptcies, that farms are in a crisis situation? Are these the hopeful signs that the minister sees in these statistics?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think the hon. member is a fair person, and I ask him in a manner of fairness to consider the fact that the growth in the second quarter was 5.7 per cent on an annualized basis. It has been adjusted upward from a 4.9 per cent figure, and I think he knows, as we all knew, that that sort of record of growth was not going to be sustained.

As a matter of fact, in our projections in the February budget of 1991, we indicated that there would not be growth in the first half. The strong growth in the second quarter was perhaps a situation where there was pent up demand and some of it may have been borrowed from the third quarter. To suggest for one minute that the sustainability of that kind of rate of growth of 5.7 per