

HOUSE OF COMMONS

Wednesday, March 17, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

BILINGUALISM AND BICULTURALISM

TABLING OF CORRESPONDENCE BETWEEN PRIME MINISTER AND CO-CHAIRMAN OF COMMISSION

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, last week in response to a request from the hon. member for Edmonton West I undertook to table correspondence between myself and the co-chairmen of the Royal Commission on Bilingualism and Biculturalism. Under the provisions of Standing Order 41(2) I should like to fulfil that undertaking, Mr. Speaker.

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TRADE

PROPOSED UNITED KINGDOM AGRICULTURAL IMPORT LEVY SYSTEM—STATEMENT ON RESULTS OF NEGOTIATIONS WITH BRITAIN

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, as hon. members know, the government of the United Kingdom announced last October that they were planning to introduce a new system of import levies on certain agricultural products, particularly cereals. The United Kingdom indicated that the purpose of this move is to reduce the dependence of British farmers on support payments from the treasury and to pave the way for adaptation of the British agricultural system to the common agricultural policy of the European Economic Community if Britain is successful in the negotiations for membership in the Common Market.

Of special concern to Canada was the British intention to include products such as wheat, barley and flour under the new levy system and the impact this might have on our traditional exports of these cereals to Britain. The Canadian government, therefore, immediately expressed its concern about this to the British authorities in the strongest terms. Intensive consultations were held with the United Kingdom at both the ministerial and official levels. The subject was discussed with British Prime Minister Heath during his visit to Ottawa last December and with Mr. Rippon, the British minister responsible for the negotiations with the EEC, when he was here earlier this month. Discussions with the British were continued last week in London by a Canadian delegation consisting of officials of government departments and the Canadian Wheat Board.

The British government have made it clear that they intend to proceed with introduction of the general levy

system effective July 1, 1971. They asked the major suppliers, Canada, the United States, Australia and Argentina, to enter into agreements with them under which we would temporarily suspend our rights to bindings in the British tariff on the products concerned. It would have been open to Canada and the other major supplying countries to decline to enter into such agreements. Britain would then have been obliged to negotiate its way out of its contractual commitments by offering compensation to Canada and the other supplying countries or, if it was unable or unwilling to provide adequate compensation, to acquiesce in the withdrawal of concessions enjoyed by British goods in our markets. However, this would have been of no assistance to the agricultural interests affected by the British scheme. Therefore, while keeping this possibility in reserve, we and the other major suppliers decided it was more advantageous to seek improvements in the mechanics of the British levy system which would lessen its trade impact and to explore the terms and conditions which we could obtain in return for a temporary suspension of our contractual rights.

As a result of these discussions we have now obtained firm undertakings from Britain to make important changes in the operation of their scheme as it affects Canadian interests. We have also obtained categorical assurances that the British objective will be to avoid disruption of existing patterns of trade with Canada, including the level of imports, and that Britain will consult with us on all aspects of the implementation of their new policy. Furthermore, the British government has agreed to reduce the average increases in their "minimum import prices" from the levels they had originally proposed to an average of £ 3½ in the crop year 1971-72 and £ 6, over the present level, in the period from July 1 to December 31, 1972.

● (2:10 p.m.)

In the light of, and of course contingent on, these undertakings the Canadian government has now indicated to the British government that it will not at this time exercise its contractual rights by virtue of tariff bindings under the GATT and bilateral agreements. It is understood that these rights, however, remain unimpaired. Moreover, the agreement we have negotiated with Britain may be terminated on three months' notice.

The following are the specific changes in the operation of the levy scheme which the British government has agreed to make as a result of the consultations with Canada:

(a) incorporation of Canadian wheat grades in the schedule of threshold prices on a more favourable basis than originally proposed including alterations in the schedule to take full account of the new Canadian grading system;