

Supply

Our export prices will go up slightly, 3 per cent. Europe's will go up about 2 per cent, and the United States' will go up about 1.6 per cent.

Who benefits? It is not the farmers in Canada, the European Community or the U.S.A. They are all worse off. How about the consumers then? Do they get a benefit? Well, not much. European Community consumers will see a drop in prices of .6 of 1 per cent, six-tenths of 1 per cent. In the U.S. consumers will pay 1 per cent more than they are paying now, and in Canada consumers will pay 1.5 per cent more than they are paying now.

What was all the fuss about? Yes, Australia and New Zealand will benefit slightly. So will Argentina. But there is not much going for these three developed countries that I have been concentrating on: Canada, the European Community and the United States.

We see that there is not too much to be gained for Canada. Our farm output will drop and it will also drop in the United States. To get all of this, so far we have failed to protect our own grain producers in this country by allowing some clauses that will affect the way we export grains. We have failed to strengthen article XI 2(c)(i). We have not mentioned anything about strengthening or clarifying that article. We have left the families who are now producing products under supply management out to dry.

If this House does not send a clear signal to its negotiators to get a clear and effective article XI 2(c)(i) in the GATT, we will lose about 100,000 Canadian families in rural Canada; 38,000 of those are on farms, 22,900 are employees of those farmers, and 36,300 are in processing jobs that will be lost. The value of farm production lost if supply management systems go will be \$4.7 billion of farm production, plus \$5.5 billion that we gained by added production through processing, meaning a net loss to the Canadian economy of over \$10 billion.

This is an important signal that we will be sending to our negotiators. It is extremely important that they go forward, that our government send them a clear message as to what their role will be and that the government pays attention to the motion which we hope will pass here today, and that the government comply with it very religiously because it is of grave importance to all Canadians and especially to those who live in rural Canada.

Hon. Bill McKnight (Minister of Agriculture): Thank you, Mr. Speaker, and colleagues who have worked together on this day. We believe that agriculture is an important sector of our economy, and those men and women who are involved in it feel this is an important debate and an important opportunity.

My colleague from Mackenzie put forward some arguments, suggestions and comment that I think would be useful for people around the world, particularly those in some embassies who may be watching this debate that is taking place in the House of Commons. I think they are important points and points that I would like to attempt to emphasize.

This is an opportunity I think also to clarify—we have been using that word in this debate for over two and a half years—and set the record straight on the government's longstanding commitment to a successful conclusion of the Uruguay round of the GATT negotiations. The government has been involved, as other governments have, over five years in this Uruguay round. It is an important round.

As we know, the director-general of GATT, Mr. Dunkel, on December 20 issued a text. He had worked with the countries of the world, some 108 members of GATT, to attempt to come to a conclusion at the negotiating table. He was unable to do that. He then took the debate and the proposals of governments, bound them in a text, and said: "This is as close as I can come to a conclusion. I put it out for nations of the world to look at and to then respond to it".

The GATT members assembled in Geneva on January 13 to make that response to the Dunkel text and to give their reaction. It is interesting to note that not one country of the 108 rejected the text as a basis to continue the negotiations to a successful conclusion. No one has rejected it. All GATT members have remained at the table to put their position. Canada has remained at the table to continue to put our position. The ambassador for Canada, Mr. Shannon, was quite clear in putting forward Canada's position.

The next important milestone or step will be March 1, as proposed today in the Dunkel text, where countries will be expected to table their revised offers on market access for agricultural products. They are still looking at the impact naturally at that time when all countries will put their market access proposals. Our trading partners, as will Canada, will have to put proposals forward. In general we are optimistic about some parts of the Dunkel text. On other points, particularly in regard to article XI and the strengthening and clarifying, we have grave reservations. We are continuing to pursue the