

for trade in agricultural products. That is why we are supportive of the general thrust of approaches such as the one suggested by the United States a few days ago. We want to work with them, and we want to work with the European Community and the other nations at GATT to try to get a substantial result, and work with the nations that make up the Cairns Group.

We are pleased to see that the United States has adapted much of our approach to the subsidy question, and the establishment of three categories of subsidies: those that would be prohibited; those that would be allowed but reduced; and those that would be allowed without any reduction. There is much to be done in negotiation and analysis before that is settled. We are ready to examine seriously any proposal that will reduce trade distorting domestic subsidies and which eliminate export subsidies. But, we intend to maintain our right to develop programs which respond to Canadian conditions. It is clear that all countries, including the U.S., will want to continue to support their agricultural sectors, but in ways which are less trade distorting than are some current programs.

With respect to supply management, our position is that Article 11(2)(c) has to be reviewed and clarified so that countries will be able to operate effective supply management systems within their rights and obligations under the international rules. I am the minister in charge of the negotiations.

Mr. Speller: Are you sure?

Mr. Crosbie (St. John's West): I am quite sure. I have my instructions, and my instructions include what I have just passed on to you, that we are going to continue to be able to operate effective supply management systems within our rights and obligations that are set under international rules. That is the purpose of this exercise. We do not intend to negotiate at Geneva or a final result to the GATT discussions that does not meet that principle. We intend to preserve the supply management system in as reasonable a way as is possible, and to have it covered clearly and effectively under international rules. That is our objective. That is why, of course, we cannot accept the American argument with respect to supply management systems as contained in their submission of several days ago.

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It was here suggested that the U.S.-Canada Free Trade Agreement would do away with the problems or irritations that might arise between the U.S. and Canada with respect to trade. No one ever pretended that the U.S.-Canada Free Trade Agreement would do away with U.S. domestic legislation any more than anyone pretended it would do away with Canadian domestic legislation. Just as we have the right to take action to protect ourselves if we think there is an unfair subsidy by foreign exports coming into Canada and take countervail action, the Americans have got legislation that permits the same or similar type actions to themselves.

We think that some of their legislation is unfair. We think that they are too protectionist in the Congress. We know that the American administration does not control the Congress. In fact, we know that no one controls the Congress. Congress is controlled by little coalitions of groups that come together on one issue, dissolve, and form up again on another issue. No one is really in control under the modern American Congress. So we understand how the system works down there and while it is irritating, we have to accept the irritation. There is nothing we can do about that particular irritation.

You can imagine our irritation, Mr. Speaker, at the American position on ice cream and yogurt, when they themselves have a GATT waiver that effectively prohibits us from exporting dairy products to their domestic market, and then they turn around and complain about a quota that we put on with reference to U.S. ice cream and yogurt imported into Canada to protect our own domestic industry.

Mr. Milliken: Which you would not have had to do, if you had done it right in the free trade deal.

Mr. Crosbie (St. John's West): How would we do it right in the free trade deal? Are we to take the American's arm and put it up behind their back and twist it, and force the big giant to its knees? That is what the hon. Lilliputians opposite would have done, I am sure.

So there is a GATT waiver for the United States, but there will not continue to be a GATT waiver for the United States, if there is a successful and substantial completion of the agricultural discussions which are going to go on from now until next fall in the Uruguay Round of the GATT negotiations. There will be no substantial results in agriculture if the U.S. continues to hold on to this waiver. There will be no successful result if the EEC continues to hold on to unreasonable