

Canadian Broiler Hatching Egg Marketing Agency, a national agency which we put in place. The chairman said:

We would like to applaud the Canadian government for the manner in which the Agreement has dealt with supply-managed commodities. The Canadian government has, from the very beginning, maintained that producers in Canada would be able to choose the manner in which they market their products.

Who else with greater credibility could I ask? Let the industry spokesmen speak for the industry. Let us listen to what they are saying.

In addition to retaining marketing boards already in place, there is nothing in this agreement to prevent the creation of others in the future. People say yes, but if you protect the existing supply management system then you will give up the right of Canadian farmers to decide what system of marketing best suits their needs. Shortly after we entered into these negotiations I had the opportunity to speak to the annual meeting of the Canadian Federation of Agriculture. I said then that we would not only protect the underpinnings of supply management, we would reserve the right of the Canadian Government to decide, in co-operation with the farmers, what system of marketing best suits their needs. That is exactly what we have done.

The Government of Canada's commitment to our dairy industry, \$300 million annually, \$1.5 billion over the next five years, has been maintained. When I announced the dairy policy in January of 1986, I told the dairy farmers of Canada that the industry had nothing to fear from the bilateral trade negotiations with the U.S. The supply management system in our industry works well. If it works well, do not touch it. What did the president of the Dairy Farmers of Canada have to say about the agreement? He said:

The dairy farmers organization supports the proposed free-trade deal with the United States because it guarantees the Canadian government the right to include any dairy products on an import control list.

That is not the Minister of Agriculture, it is the current president of the Dairy Farmers of Canada. Who else would I go to for a more accurate non-partisan assessment of this arrangement?

In negotiating this deal we also said we would take into account the sensitivity of our fresh fruit and vegetable industry to imports from the U.S. We have maintained the right, and this is important, to reimpose tariffs temporarily, when prices are depressed, for a 20-year period. I should say "impose" because we have not imposed any seasonal tariffs since the last time we were in Government in 1979, because the law officers of the Crown have ruled those regulations *ultra vires*.

In addition, this agreement does not prevent Canada from proceeding with amendments to the Canada Agricultural Products Standards Act which would provide us with legal authority—and that is what we must have because we have not had it for five or six years—to prevent imports on a consignment sales basis and to control imports in non-standard bulk containers.

Supply

I have in the past referred to the very positive words of the executive vice-president of the Canadian Horticultural Council. Where else would I go to get an accurate and credible assessment of the agreement? The deal is important to the horticultural industry because we will have greater access to the U.S. market.

• (1230)

You should look at the U.S. tariff lists on some commodities. Under the existing trading arrangement between Canada and the United States, we have no access to mushroom markets and there is great potential in that for us. There is a tariff of 30 or 40 per cent on that product. In addition to the levels of tariffs, they have quantitative restrictions which make it impossible.

The previous Government sat around and did not impose any of these seasonal tariffs simply because they had been ruled *ultra vires*. That Government did nothing about bringing in amendments to the CAPS Act. We did not have the legal authority to impose Sections 56, 57 and 61(1).

Very soon we will be introducing amendments to the CAPS Act which will give us the legal authority to put in place regulations similar to and perhaps even more effective than Sections 56, 57, and 61(1) of the old Honey Act that have not been used for the last five or six years. That will be a better deal.

The new trade dispute settling mechanism will guarantee impartial application of anti-dumping, countervail, and other trade remedy laws. New rules will also minimize the trade impact of technical regulations. Also, export subsidies on agricultural trade between our two countries will be prohibited.

Agreements on import regulations and tariffs will enhance agricultural trade between our two countries. Most tariffs are to be phased out in equal steps over a period of ten years beginning when the agreement comes into effect on January 1, 1989. Let me quote the President of the Western Canadian Wheat Growers' Association who said:

I think Canada now has a better chance of retaining current access and getting further access.

That is a very positive statement with regard to the people he represents and their ability to take advantage of that challenge and opportunity.

He continued:

It's better than no agreement at all. A dispute-settling mechanism that involves both countries is likely to be fairer and it is especially encouraging that the two countries have agreed to jointly work out new rules.

With regard to bilateral grain trade, Canada's requirement for import permits for wheat, oats, and barley will be eliminated only when support levels in both countries are equivalent for each commodity. However, end-use certificates will be required and these will ensure that U.S. grain does not enter