

*Supply*

time that a new commodity is proposed to be included under supply management.

We can thank some of the people who now sit in the cabinet for that circumstance. The original act was written quite broadly so that all that needed to be done was that a majority of farmers in each of the provinces had to decide, vote for and participate in a supply management system and it could become the law. Thanks to the efforts of some people who are still in the cabinet that was made impossible. As a consequence, any time a new product needs to be added they have to come to Parliament and amend the law to include it.

I understand there are some problems with the concept of supply management on the government side. These are long standing. They are ideological and there are politics that go back a long way.

The negotiators and some of the press have been saying that it is a little difficult handling this two-track policy. We are maintaining supply management on one hand and asking for open borders and no interference by governments in trading. This is very difficult to manage. It is not really consistent with what GATT is trying to do. I think we are being a little too cute by using that argument.

First, I think when we get to be purists on these kind of arguments we should always remember the quip by a British diplomat from the last century who said: "Consistency is the refuge of small minds". I think consistency in this case can be carried to extremes. If the GATT participants are having great difficulty handling inconsistencies, how is it they can manage to have a whole section on the protection of intellectual properties when the whole concept of having intellectual property is to protect a patent or a copyright or an invention and put state proposed and state supported impediments to the free access of that idea or that invention? GATT had no problem dealing with that irrationality. The inclusion of intellectual property rights in GATT was seen as consistent because it applied a certain set of rules which would be similar from one country to the next.

That is the key. The application of rules from one country to the next is exactly what the supply management people are trying to achieve. Article XI has been a part of GATT almost from the beginning of GATT in the

middle 1950s. An improved, clarified article XI with the amendments that have been proposed by Canadian producers and their organizations in making article XI 2(c)(i) would make those rules clear. It would make it clear that imports of commodities made from supply managed products that contained more than half of the supply managed product in their make-up, formula or recipe would also be subject to the kind of management system that affects those products within the country.

We have to remember that supply managed products do not become a burden on the rest of the world. They do not burden the rest of the world market. They are not dumped. Generally speaking, the process in Canada has been that all supply managed operations produce slightly less than the Canadian market needs. They try to get it very close to what Canada needs, but there is always room for a small amount of imports to take up any slack so that consumers do not lose the ability to have that product available to them.

If we understand the full implication of the special nature of agriculture production, we will have less problem with the concept of supply management. A lot of the production in agriculture is perishable product that cannot be stored cheaply and is expensive to transport. Therefore it makes sense for it to be produced in relatively small units, relatively close to the consuming population.

It is probably no accident that most of the supply managed products in this country are specifically those kinds of products that are more perishable than grains, for instance, and some of the oilseeds.

All products in all agriculture production have a special quality in that they are food for humans. Because it is food for humans, surplus production becomes something that every human being attempts to do. We always want to have at least enough food for ourselves. We usually have a small surplus in our homes available to us. This is only natural and prudent. We can argue that it comes from back in the days when we were hunters and gatherers, but that does not explain it away. It is still a necessity and it is still an understandable reason for people and for nations wanting to be able to produce most of their own food and to be close to self-sufficient.