

Government Orders

spective exports to Europe fell from \$1.35 billion in 1981 to about three-quarters of a billion in 1993. At the same time our imports from the European union rose from about \$400 million to almost \$1 billion. This tells us that while the sector is doing well it must continue to do better.

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Last year the industry and federal and provincial governments agreed on the goal of increasing Canada's agri-food exports by 50 per cent from \$13 billion per year in 1993 to about \$20 billion per year in 2000.

In July of this year the agriculture ministers reaffirmed that goal and added a further target of achieving a 3.5 per cent share of world agri-food trade. That is an objective in line with our historic share, but it will push the requirements to meet that to exports which will reach a value and total of about \$23 billion.

In addition to steps that are being undertaken in Canada, the new WTO will have a large role to play in increasing our exports, increasing jobs and increasing prosperity. The World Trade Organization represents a significant step forward for the agriculture and agri-food sector. The agreement sets down for the first time ever clear rules for international trade of agricultural products.

The agreement represents a substantial reduction in trade distorting export subsidies, better trade rules for agriculture, and improved and more secure access to markets around the world for Canadian producers and processors. It will greatly assist Canadian producers and processors in their continuing efforts to develop new markets around the world. The new markets will be in addition to the Mexican and U.S. markets that we have obtained through NAFTA. New rules will apply equally to all countries and the specific exemptions of countries will be eliminated. This will allow Canadians to compete in a more predictable and fairer international trading environment.

What does it mean in real terms? The respected OECD or Organization for Economic Co-Operation and Development predicts that for all sectors, the total, the agreement will inject almost \$8 billion into the Canadian economy by the year 2002. That is \$8 billion into the pockets of working men and women across the country over the next eight years.

The government was elected to create jobs and wealth. That is why I am bullish on the WTO. I know some members, particularly those from Quebec, Ontario and Atlantic Canada, have some genuine concerns about just what sort of impact the agreement will have on the country's vital and prosperous supply managed sector, the dairy, egg and poultry sector.

Let me take this opportunity to assure the House that supply management will be able to continue to operate as an effective Canadian approach to producing and marketing dairy and poul-

try products. The agreement supports the continuation of the supply managed industry through two fronts. The first front is the import tariffs first announced in December 1993. They will maintain a high level of protection for the sector. It is true these levels will be reduced by a total of 15 per cent over the course of the next six years, but it will still afford producers and processors with the protection they require. The six-year phase in period will give them ample opportunity to make the necessary adjustments in order to compete and win in the new international marketplace.

Imports which will be coming in under the minimum access commitments will not unduly disrupt the Canadian market. For butter the access commitment will rise from about 1,900 tonnes to around 3,200 tonnes from the year 1995 to the year 2000, a five-year period. In the poultry area import access of chicken will continue to be governed by the CUSTA or the FTA. Access for turkey will rise slightly to about 5,600 tonnes by the year 2000 while egg access will also rise very slowly. It is unlikely there would be imports of dairy, poultry or egg products outside these access commitments since the tariff levels will make them uneconomical.

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The government regards very seriously its commitment to the future and to the well-being of the supply managed sector. That is why on December 16, 1993 the federal and provincial agriculture ministers formed a small task force, headed by myself, to look into the specific implications for Canada's supply managed industries.

After consulting with all stakeholders the task force proposed that an industry ad hoc review committee in each case be established for each commodity group sector. These ad hoc committees have been meeting throughout the year, will be meeting over the fall, and will continue to meet to determine whether a consensus can be reached on orderly marketing frameworks for the future. The task force was scheduled to report to the federal-provincial ministers meeting in December. I can report the results are very promising, although they have been incredibly challenging and are not all completed yet. Successful conclusions will be reached in order to maintain the sustainability of our orderly marketing system to the benefit of the industry and to all Canadians.

The World Trade Organization also holds benefits for other sectors within the Canadian agricultural industry. Volumes of European union and United States wheat shipped with export subsidies will be reduced over the next six years by 40 per cent from the levels they are at present. The reductions in export subsidies for wheat, barley, vegetable oils and other grains are expected to significantly improve market prospects for Canadian grains and oilseeds in world markets.