

### *Supply*

**Mr. McKnight:** The hon. member from downtown Hamilton with her agricultural expertise should maybe talk to her agricultural critic or watch as her agricultural critic makes his presentation.

The difficult thing to put forward is that we do have an opportunity on the export side, as other countries will, to adjust and support our agriculture sector of the economy in a non-trade distorting way. That will be recognized by the members of GATT if we are able to come to an agreement.

My hon. colleague would know about the Crow benefit, if you want to use it. It is one example. There are a number of ways. I identified them in a document that I sent to producers who were involved in transportation talks. There are a number of ways that we could adjust that benefit and have it maintained for the producers in Canada who have found it a very supportive program. It has indeed been a necessary program and should be maintained.

There is nothing to say that countries cannot adjust in some of these export examples. Any of the changes which will create a more fair and responsible trading environment is good news for our export industry, for our red meat industry, for our grains and oilseeds industry, and other areas of agriculture where we export products around the world.

We did not get everything we wanted even on the export side as other countries have said when you look at the—

**Ms. Copps:** It's all over.

**Mr. McKnight:** I am sure, Mr. Speaker, with the arrangement that the Liberal Party has made to divide its members' time, we will be able to hear from the member for Hamilton East. She will be able to give us her opinion and her thoughts on an important segment of the Canadian economy called agriculture. I hope she will be able to do it standing, rather than sitting.

If we could continue, the proposals do not reflect what we asked for originally. It does not mean that we will not continue to work for them. We have been able to do that in conjunction with other nations.

We asked for a total elimination of export trade distorting subsidies and that has not appeared in the Dunkel text. We must remember that Canada is one of

108 countries which are involved in these negotiations that have been going on for over five years.

The Dunkel proposal does provide some opportunities in the agrifood sector and we welcome them.

I expressed our grave reservations and our disappointment that article XI was not strengthened and clarified as we had put forward. Everyone knows that is a section of the agreement that basically at this time allows border control. That allows us to have the supply managed industries that we have in Canada.

The current proposal is to put tariffs or tariff equivalents in place of border control, which we find objectionable. In the proposal by Mr. Dunkel, although article XI remains, it could not be resorted to by countries during the implementation period, which we do not accept.

It is very important to remember that this is a basis for negotiation. Canada will continue where we find strength, and wherever we can, other partners to put our position as we have over the last five years.

We hope to have progress. We are working toward that. I mentioned today why I thought this debate was important in the House, so we could come together to send a message to the world. We remain committed to a stronger article XI, and that was on the advice of the industry.

Over the past years, there has been an erosion of the ability of article XI as it is interpreted today by GATT to protect our supply managed industries. I can only draw to the attention of the House that processed products, such as ice cream and yogurt, had a GATT ruling against our import controls. It is still an outstanding ruling. There was concern there could be countervail levied against other processed products of the supply managed industry and we would lose the ability to control imports at our borders.

• (1600)

Our position has been expressed by ministers. The Minister of State for Grains and Oilseeds, the Minister of State for Agriculture, the Minister for International Trade and myself on several occasions around the world, as a matter of fact, from Japan, the United States and Europe have continued to do that with the support of the industry and I believe, with the support of other parties in this House. We will continue to do that.