

because the farmers have to show injury. Is any dairy processing plant going to show injury in that regard?

It is interesting the the Quebec Government and the UPA demanded that Article XI of GATT, which provides for quotas on supply management commodities, be in the final draft. It was in the final draft as Item 710, but the only problem with that is that Item 710 is subject to any other section in the agreement. If we look at Item 703 it says that the agreement is to remove all tariff and all import barriers. Article 710 is in the agreement but it is subject to Article 703 which is to remove barriers to trade and to the free flow of farm goods coming across the border, and we cannot be very assured. I think that is one of things the UPA will be arguing in its presentation today at a press conference in Quebec.

The Grocery Products Manufacturers of Canada, one of the largest employers in Canada, appeared before the committee. It employs over 200,000 Canadians and is the largest manufacturing sector in the country, doing some \$40 billion worth of business. That association said that the agreement is clearly unworkable and it will put pressure—the Americans are doing so as well—on the Government to remove marketing boards and border controls. Agriculture is clearly under the gun. That is why groups like UPA and the Ontario Federation of Agriculture are strongly opposing this agreement. The grocery products manufacturers say that they simply cannot operate in a situation where competition from the U.S. is not supply management.

It seems to me that that is one of the very great concerns of the whole supply management industry in Canada. The Government of Canada is going to GATT. The Government has put the marketing boards on the table for negotiation at GATT. The United States is opposing marketing boards. Practically all of the Cairns Group is opposing marketing boards. The Canadian Government has said we are going to the GATT hand in hand with the United States to remove subsidies. I think in the long run we will destroy our whole marketing board and supply management system in Canada because of the Government's position. Here the Government will start the ball rolling and in GATT the Government will, in my view, completely give away our marketing system which has served us well. It has cost less than subsidies and it has been especially effective. It not only applies to the dairy and the feather industry but also to the Canadian Wheat Board.

I think we are rushing into a trade deal where we are giving up a great deal and probably will give more in the GATT negotiations while getting very little in return. We have hitched our wagon to the United States saying this will be fortress North America. In fact, the United States is our competitor on most commodities around the world. We say we are going to support the Americans' position where often their position is not in our interest. There is a great deal of concern in the agricultural community. That is why so many farm groups across Canada are opposing this trade deal.

S. O. 21

Mr. Deputy Speaker: We will proceed with the question and comment period after Question Period if the Hon. Member is in the House.

It being one o'clock, I do now leave the chair until two o'clock later this day.

At 12.59 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[Translation]

TAX REFORM

OPPOSITION TO TAXATION OF FOOD

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I have more than 150,000 signatures of people residing in Canada who object to the Government's decision to consider taxing food and food products as an option.

Last week in Toronto, the Minister of Finance (Mr. Wilson) announced he was withdrawing his proposal to tax food. Mr. Speaker, I don't think Canadians have any more reason to trust this Government than they did when it deindexed old age security pensions.

The Chairman of the Finance Committee, Mr. Blenkarn, is asking for \$57,000 to go to New Zealand and look at how they tax food. Why didn't the Minister of Finance say fairly and squarely yesterday that the Government refused to tax food? Why did he say that certain essential products should not be taxed and will be exempt?

Mr. Speaker, I warn this Government that the Liberal Party will continue its opposition until it has the assurance that bread, milk, butter and other food products will not be taxed.

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[English]

TRADE

CANADA-U.S. FREE TRADE AGREEMENT—POSITIONS OF NDP AND LIBERAL PARTIES

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, sometimes we lose sight of the fundamental precepts upon which the Government bases its policy and upon which opposition Parties base their criticisms. The debate over free trade is a case in point.

At the heart of the NDP's political agenda and its position on free trade is the tired old precept of greater government