

Adjournment Debate

The Canadian government has spared no efforts to get other countries to understand and accept its position. Canada is still demanding that GATT article XI be clarified and reinforced. The ratification of new GATT agreements on the liberalization of farm exports, as proposed by Mr. Dunkel, would provide attractive opportunities for grain producers, red meat producers and processors of agrifood products in Canada. The same cannot not be said for the dairy, egg and poultry sectors.

However, there have been signs recently that maintaining Canada's marketing boards would not meet with too much resistance. The president of the Commission of European Communities, Mr. Jacques Delors, mentioned the other day that a comprehensive agreement on 90 per cent of the issues was better than no agreement at all. The remaining 10 per cent might include the Canadian question and there might be others as well.

Considering the importance of maintaining our marketing boards, is there not a case for negotiating with countries like the United States or Japan, for instance, which also have measures to protect products such as cotton, peanuts, coffee, rice and sugar?

Would it not be possible to reach some kind of agreement and set our respective priorities, in order to find a common position, diverse though our products may be, in order to save our marketing boards and ensure our producers get a fair price?

About 60 U.S. senators signed a petition along these lines in the U.S. Congress. About three weeks ago, we had a number of French senators and members who came here to see how our marketing boards, quota systems and supply management work in this country.

I would appreciate an answer to my question.

[English]

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, this government has spared no effort to fulfil its long-standing commitment to support Canada's agrifood industry in the GATT negotiations.

All members in this House must agree that Canadian agriculture needs a successful conclusion to the Uruguay round. Our grain farmers have suffered through years of rock bottom prices due to the subsidy war. Our supply

management producers have seen import quotas on ice cream and yoghurt ruled out of order under the existing GATT rules.

The sector has told us clearly that the *status quo* is unacceptable, and together the government and industry have developed a balanced Canadian position in the GATT negotiations. That position has not changed.

Unfortunately the negotiations have been stalled as a result of differences between United States and the European Community. Canada's negotiating position is not the problem, and changing it would not be a solution. In this situation, Canada will forcefully and firmly pursue its negotiating objectives and work with others to bring the MTN to a successful conclusion.

Recent consultations with industry and the provinces have confirmed that there is continued support for the balance of the negotiating position that Canada has been pursuing. The draft agreement put forward in December by Arthur Dunkel would provide for improved and more secure access to foreign markets.

Canada, like other countries, has accepted the Dunkel text as a basis for continuing the negotiations. To our disappointment, the proposal does not call for the straightening and the clarification of article XI, the section of the GATT agreement that allows for the imposition of border controls on supply managed products.

However, I would underline that Canada considers the Dunkel proposal as a basis for negotiations. It is not the final agreement. Canada is continuing to fight for the clarification and straightening of article XI as the negotiations progress.

The government and industry representatives have numerous and continuing discussions on how we can advance Canada's position on this issue. The Prime Minister has raised this issue with other heads of government on a number of occasions. Most recently, he raised it last week with the European Community president Jacques Delors. In addition, the Minister of Agriculture has explained Canada's determination directly to the U.S. agricultural secretary, Ed Madigan, and the European Community commissioner of agriculture, Ray Mac Sharry.