



news release

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McKNIGHT TO MEET MEXICAN OFFICIALS ON USE OF WHEAT EXPORT SUBSIDIES BY THE UNITED STATES

The Honourable Tom Hockin, Minister for International Trade, and the Honourable Charles Mayer, Minister of Agriculture, announced today that former Agriculture Minister Bill McKnight will meet with Mexican officials on Canadian agricultural concerns, including the use of the Export Enhancement Program (EEP) by the United States to target Canada's wheat export sales to Mexico.

Mr. McKnight will be in Mexico August 12-13, 1993, and will meet with Carlos Hank Gonzalez, Mexico's Secretary of Agriculture, as well as a number of other senior Mexican officials.

"We are deeply concerned about the recent announcement by the United States to use the EEP on wheat sales to Mexico, which is a traditional Canadian market," said Mr. Hockin. "We have already held consultations with the United States under the dispute settlement provisions of the Canada-U.S. Free Trade Agreement."

He added that the U.S. announcement underscores the need to reach a successful conclusion of the Uruguay Round of multilateral trade talks and, in particular, to negotiate disciplines for the use of agricultural subsidies.

Mr. Mayer said, "The impact of the 1993-94 EEP package for wheat will be to decrease grain prices in targeted markets, resulting in lower returns to Canadian grain producers. Mexico is a valuable and growing market that Canada has worked very hard to develop. Canada's success in the Mexican market is due to the high and consistent quality of Canadian wheat and the marketing efforts by the Canadian Wheat Board, its agents and the Canadian International Grains Institute."

Mr. Mayer added that he met with U.S. Secretary of Agriculture Michael Espy in Ottawa on August 6 as part of overall efforts to stem the use of trade-distorting export subsidies in agriculture.

Both Ministers said that Mr. McKnight's visit will stress Canada's intent to continue supplying the Mexican market with

high-quality wheat at competitive prices. Mr. McKnight will also be discussing Canadian seed potato exports to Mexico during his meetings with Mexican officials.

Mexico imported 1.2 million tonnes of wheat in 1992-93, of which 32 percent was supplied by Canada.

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For further information, media representatives may contact:

Media Relations Office
External Affairs and International Trade Canada
(613) 995-1874

or

Phil Cochrane
Office of Minister Mayer
(613) 996-2508