

When several major powers with sometimes conflicting interests sit around the negotiating table, we realize how difficult it is to please everyone. In the current economic context, it is essential to agree on how to develop free trade mechanisms. That is why this agreement can, if it is used properly, provide a basis for future trade negotiations.

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The potential increase of \$755 billion in international trade between now and the year 2005 is the most convincing guarantee of the positive impact of that agreement. The Final Act of the Uruguay Round signed on April 15, in Marrakesh, meets some of the expectations of Quebec and Canada. However, as regards agricultural issues, that agreement is far from making Quebec producers happy.

The structure of GATT has always differed from that of most major UN agencies. Even though Canada was among the 23 original members, it is now at the same level as the other 107 member countries. It is at the mercy of talks dominated by three major players: The United States, Japan and the European Community.

Like all the other members, Canada is somewhat subjected to the priorities and decisions of these giants, particularly the United States and the European Community. Yet, when a sector as important for Quebec and Canada as agriculture is targeted, the federal government must react and stand up for our producers.

Canada did very poorly when it came to protecting the interests of agricultural producers, regarding article XI, because it was trying to do two different things. Article XI essentially allowed Ontario and Quebec dairy producers to benefit from their supply management system. That initiative was obviously extremely important to them. In the east, producers wanted to keep their supply management programs, while in the west, they wanted new markets for their grain. Given its political situation, Canada tried to please both groups at the international level. In the end, it lost some of its credibility and more. The government found itself caught between a rock and a hard place.

As regards article XI, the government could not let down Quebec producers in the current political context. On the other hand, grain exports have very significant economic spin-offs. When you negotiate, you have to make concessions in order to make gains on those issues which are important to you. However, in order to do that, you must first define your priorities.

This example of double-edged sword is clear evidence that we have to put our house in order. The problem is a major one. How can only one voice protect the diverging interests of western and eastern producers?

The fight on Article XI also undermined Canada's credibility with its own agricultural producers. Indeed, the government

tried to be reassuring by explaining that, in the short term, higher tariffs would provide producers subjected to quotas the same protection as under article XI. However, the government was silent on the medium term and the long term.

Even though the tariffs proposed by Canada to GATT were not opposed, there is no guarantee that we will not find ourselves in a perpetual trade dispute once they are implemented.

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However, during the bilateral talks on durum wheat, Canada made concessions in order to avoid prolonging the dispute by going before a panel.

What will Canada do when the Americans revive the debate on quota production and tariffs on yogurt and ice cream, for instance? Who will decide whether GATT or NAFTA takes precedence? These issues are still unclear.

We need assurances that the government is prepared to answer some very specific questions. You may recall, Mr. Speaker, that during the last election campaign, in the fall of 1993, the Prime Minister, the leader of the Liberal Party, was travelling across Canada and saying: "I will not sign NAFTA unless everything is reviewed from A to Z. And I will negotiate". A few weeks after he was sworn in, the Prime Minister went on a short trip to the United States, came back and quickly signed NAFTA.

Just another instance of the past being no guarantee of the future.

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We need assurances that the government is prepared to answer some very specific questions. We must go to committee to assess the impact of this bill. We must also keep abreast of steps being taken by our principal trading partners to conform to GATT. The Canadian government should be able to tell us, for instance, whether it and the American government agree on the definition of dumping.

Although we realize that our agricultural policies must conform to our international trade agreements, the government must not take advantage of our obligation to conform to GATT to justify certain measures to reduce the deficit. In many cases, Canada has already reduced its domestic subsidies by more than 20 per cent, which means that for this round of talks, it has met its commitments for subsidy reduction.

If we look at the amendments to the WGTA to harmonize it with GATT requirements, a number of issues are still outstanding. We still do not know whether the Crow benefit will be transferred to producers or how that will be done. This matter should be dealt with immediately. The Minister of Transport, who has been responsible for the Crow so far, announced last