

*The Address*

The new trade regime, while by no means perfect, should provide the stability and the predictability that we need to plan and invest for the future. We must now work together as Canadians to ensure that we reap the maximum benefits for all sectors of the agri-food industry in all parts of this country.

We have 18 months to prepare ourselves for the implementation of the GATT. If we do our homework well in that period there are abundant opportunities for us to capitalize upon and the future for agriculture and agri-food can be and I believe will be bright indeed.

To deal with the special needs of the supply managed sectors of agriculture I have asked my parliamentary secretary to head a small consultative task force involving producers and processors and government officials on the broad question of supply management renewal. This process has been endorsed by all of my provincial colleagues across the country. The purpose of the task force is to identify for governments all of the issues that we will have to address and to recommend processes by which those issues can be addressed in this 18-month period before the GATT comes into effect because we all as governments, federal and provincial, want to be fully ready for July 1995.

Changes in the world economy will profoundly affect the way that we trade. We are witnessing the increasing globalization of markets. It is no longer unusual to see fresh produce from New Zealand or southeast Asia in our local grocery stores. In addition, commodity prices are experiencing a long-term decline in real terms.

Canada can no longer depend on primary product exports to the extent we have in the past for improvements in our standard of living. We will have to rely more and more on value added exports to new and changing markets.

I think there is tremendous potential in value added. Three-quarters of all agri-food jobs are found beyond the farm gates. My Department of Agriculture and Agri-Food is now positioned and ready to help farmers and businesses take advantage of the kinds of opportunities that new markets represent.

The department has a new branch, Market and Industry Services, with offices right across this country in all provinces specifically designated to work with the industry on enhancing its global competitiveness and increasing its share of domestic and international markets.

The federal government also has 50 full-time employees working on agri-food trade development in more than 150 foreign markets. The team includes 13 specialists dedicated to agricultural issues in priority export markets including Japan and Taiwan. Their job is to help improve market access and provide up-to-date market information and intelligence to

Canadian exporters. Agri-food specialists in other key international locations may well be appointed in the future.

One of the Prime Minister's first major initiatives after taking office was to travel to Seattle to meet leaders of the 17 nation Asia-Pacific Economic Co-operation group. These APEC countries represent the most dynamic and fastest growing economic region in the world.

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While western industrialized economies have stagnated in recent years, annual growth among APEC countries has been between 6 per cent and 9 per cent and they account for 40 per cent of world trade. World Bank figures indicate that half the increase in the world's wealth between now and the year 2000, as well as half the increase in world trade, will come from Asian countries. There are huge opportunities for Canada in this burgeoning market, particularly in products like pork and other value added products.

Speaking to the Ontario Federation of Agriculture last November, Dennis Avery of the Hudson Institute described the Asian marketplace as the greatest opportunity in farming history. As Asian countries become more affluent their demand for high protein products will rise. It is a demand that they may be hard pressed to meet and that is where we come in. Canada has a well earned reputation for producing the highest quality food products in the world, and it is a reputation we can capitalize on to penetrate new markets.

Next to Asia, Latin America is the fastest growing trading area in the world. For Canadian agri-food exporters it has trailed only the United States as the second fastest growing market for our products. In recognition of the importance of trade and the need to develop these markets for Canadian products, the Prime Minister has appointed two secretaries of state within foreign affairs with responsibility for trade with Asia and Latin America as well as with Africa.

With the GATT and the NAFTA in hand the government has been turning its attention to other outstanding trade issues, in particular our ongoing bilateral disputes with the United States. While in Geneva in December, I had the opportunity to discuss some of these issues with my American counterpart, the U.S. Secretary of Agriculture, the hon. Mike Espy. I met with Mr. Espy again earlier this month in Toronto and we have had a number of conversations by telephone since.

I remain reasonably optimistic that the various areas of disagreement between Canada and the United States at the present time from wheat to peanut butter, to sugar, to some dairy matters can be resolved to the satisfaction of both countries, but we may rest assured that the Canadian government will be vigorous and vigilant in advancing the Canadian interest in respect to these products.