

*Adjournment Debate*

ice cream lead to a situation that becomes a Gordian knot?

The GATT panel that examined Canadian restrictions to ice cream and yogurt imports favoured the Americans, but it also recognized that the requirements of Article 11 of the GATT, as interpreted by the panel, are difficult to adhere to. Article 11 leaves too much to the interpretation as to what a like product is, as to the need to restrict quantities, and as to the form a like product may take.

The Canadian Government is sticking to its position of maintaining a recognized goal, which is the establishment of a set of rules that are clear, fair, workable and acceptable by all parties, namely producers and Canada's trading partners.

For the time being, nothing comes out of this except this government's renewed faith in marketing boards. And also that, for the first time in Canadian history, a Prime Minister and his two ministers responsible for Agriculture, as well as his Minister of International Trade met with the president of Union des producteurs agricoles and its executive and some producers. This is a signal indeed that this government is going in the right direction and wants indeed to protect the industry.

International Trade spokesmen will have to become aware of Québec realities during the GATT negotiations, and I demand that we have French-speaking negotiators from Québec at the table.

Our joint schemes, our marketing boards and our quotas must be 100 per cent protected. Québec farm producers will not tolerate that a blind eye be turned on Québec demands.

This is why I am asking the Minister whether he can reassure Québec producers in terms of the current GATT negotiations. Can he tell us whether all parties in the various farm industries in Québec will be adequately represented by knowledgeable people at those negotiations?

[English]

**Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister, President of the Privy Council and Minister of Agriculture):** Mr. Speaker, I want to assure the hon. member for Drummond that this govern-

ment will continue to vigorously defend the interests of the Canadian dairy producers in the GATT negotiations.

We firmly maintain our right to develop programs that best respond to Canadian conditions, and this includes our right to set up supply management systems. Our position has been, and continues to be, that Article 11 of the GATT must be clarified and strengthened. The GATT panel ruling on Canadian import controls for ice cream and yogurt clearly confirms that. We want to see fair and equitable trading rules that apply to everybody in the international marketplace.

• (2150)

We are not taking this ruling lightly and we are seriously concerned. What this ruling means is that under current rules, U.S. ice cream and yogurt exporters will have greater access to our marketplace. At the same time, the American market will continue to be closed to Canadian producers of the same product. That is because the U.S. has a waiver from GATT that effectively prohibits U.S. imports from Canadian ice cream.

That is not at all this government's idea of fairness. As I have said, this ruling confirms our MTN position that Article 11 has to be strengthened and clarified. I want to assure the hon. member that we have raised this concern in Geneva. This is the route that the Canadian Dairy Industry itself has endorsed.

At the October GATT Council meeting, this government clearly stated its concerns regarding the implications of the panel ruling for the dairy industry. We pointed out the very narrow interpretation of GATT Article 11 used by the panel. Specifically, we have trouble with the terminology of "direct competitive products". We reiterated our concerns about the impact of this decision on the Canadian dairy sector at the November GATT Council meeting.

The Canadian dairy industry has been well represented in this process. In fact, this government is working hand in hand with the dairy industry to explore our options.

Just recently, a number of our dairy farmers travelled to Europe to discuss with their European counterparts the implications of this ruling on the Canadian industry. It is our view that the panel report is calling into question the original intentions of the GATT drafters. We certain-