

### *Government Orders*

In the bill now before Congress in the United States, there is one specific section on the consultation process between the U.S. federal government and the States. Section 102 of the bill, part B, under the heading: "The relationship of the agreement to United States law and state law", explains how consultations between the States and the central government are to proceed. If the Canadian government refuses to support the Official Opposition on amendment 3.1, this would mean that my federal colleagues have an even more centralist vision than the U.S. government and that they consider the provinces to have less power than the American States.

If that should be the case, members who vote against our amendment will have to tell the Prime Minister of Canada to keep quiet, when he says Canada is the most decentralized country in the world. A federal government that would refuse to undertake to consult the provinces on matters over which they have jurisdiction is centralist in the extreme.

The second point on which we believe consultation with the provinces is important is dispute resolution under the agreement. Without this amendment, Bill C-57 puts absolutely no obligation on the federal government to consult the provinces, even when the disputes affect them directly. In recent disputes about magnesium, softwood lumber and beer, to name only a few, the federal government was under no obligation to consult the provinces. This amendment is therefore essential if we are to respect the jurisdictions of the provinces.

In their bill, the Americans also provide that the federal government shall consult the States when trade disputes are reported to the World Trade Organization. Clause 102, Part C, paragraph iii), clearly states that every state of the union should be actively involved at every stage of consultation and at each subsequent stage of any trade dispute resolution process.

Third, we want the provinces to be consulted on major economic issues. Clause 145(4) of Bill C-57 states that the territory of Canada may be divided into two or more regional markets. This entails developing specifically regional or provincial policies, hence the need for a consultative mechanism between the two levels of government, to harmonize our policies in view of our international commitments.

Major international fields may have a substantial impact on Canada. Take the monetary policy, employment development or loans to developing countries for example. The provinces are greatly affected by what happens in these areas. For all these reasons, the government must consult them.

Let us now move on to paragraph 3.2. This Bloc Quebecois proposal is to ensure that the Governor in Council and the Minister of International Trade will obtain prior agreement of the provinces before taking one or the other of the following actions.

First, the federal government would not be allowed to change allocation mechanisms for tariff quotas without prior agreement of the provinces. We all know that, as a result of the Uruguay Round, import quotas on dairy products, poultry and eggs were eliminated.

Import quotas were replaced with tariff quotas, which will make the quantity that can be imported increase slightly. What the agreement entitles us to do is to allow a specific volume of imported goods tariff-free in accordance with tariff quotas and to jack up the tariff on the rest.

• (1105)

Bill C-57, however, provides that the minister has discretionary power to decide who can import these products within tariff quotas. In order to avoid log rolling or an apparent conflict of interest on the part of the government, we propose that this decision be made jointly by the minister and the provinces.

The second type of action requiring provincial consent has to do with the agreements negotiated with some trade partners to give them guaranteed access to part of the Canadian market.

While the government is committed to opening up our economic borders under trade liberalization agreements, a new protectionist trend is emerging. Canada is currently negotiating quasi-formal agreements with some countries, which would receive special access to Canadian markets in return for guaranteed access to their markets for some Canadian products. For example, Canada could promise a country that it will buy a certain quantity of their butter during the next year in return for their commitment to buy a certain quantity of Canadian beef in the next 12 months.

Such agreements could have considerable regional impact in Canada. The production of certain goods is often concentrated in a single region. A good agreement for all of Canada could have a disastrous effect in one province in particular. It is therefore imperative that the provinces have their say on this.

Let us move on to Clause 3.3. The Bloc Quebecois proposes that, in respect of subsidized exports, the federal government be very vigilant and have regard at all times to actions taken in the relevant areas by foreign competitors. The GATT agreement provides that export subsidies should be reduced by 36 per cent over a six-year period. In addition, the volume of subsidized exports is also to be cut by 21 per cent.

Canada—that is why we are proposing this amendment—must ensure that its trade partners periodically reduce their subsidies to the products covered by these regulations.

This amendment is especially important since these regulations already favour both the EEC and the United States. Because American and European exports are already more heavily subsidized, reducing the current subsidy rate will main-