

*Government Orders*

I cannot oppose this bill because the ratification of the GATT agreement through this World Trade Organization bill is absolutely essential if we are to effectively participate in the wide areas of trade and export.

I challenge the government to do more than tinker with the WGTA. In fact, I challenge this government to break down the dozens of interprovincial trade barriers which prove that our country is functioning less efficiently within our borders than we are prepared to function with our trading partners through this new World Trade Organization agreement. I challenge our government to bring agriculture support mechanisms into the 21st century. I challenge the ministers of trade and agriculture to follow up Bill C-57 with a complete and very necessary reform package.

• (1155)

[Translation]

**Mr. Jean-Guy Chrétien (Frontenac, BQ):** Mr. Speaker, as the hon. member of the Reform Party said so well, Canada is a big country. And in this big country, there are wide differences in both views and geography. The same applies to agriculture.

Throughout his speech, my Reform Party colleague had a lot to say about grain producers, the Western Grain Transportation Act and hopper cars that ride empty in order to get the subsidies, but at no time did he mention the problem of Eastern producers, or only in passing. Most of these producers earn their living under a supply management system.

I hope that the tariffs that will eventually be substituted for supply management will be high enough to protect our farmers in Quebec and Ontario, including dairy, poultry and egg producers. These tariffs are supposed to go down by 15 per cent, while all tariffs will reach 36 per cent over a six-year period.

My question for my Reform Party colleague is this: How does he see the position of article XI in the GATT negotiations, which raises the question whether the markets of farmers who depend on supply management will be sufficiently protected? I realize that since the hon. member lives in Western Canada, he was more intent on the needs of his own constituents, and I understand that, but Quebec is still part of Canada—for a little while yet, I hope.

I would appreciate the hon. member's opinion on supply management and tariffs, as well as his party's position on these issues.

[English]

**Mr. Hermanson:** Mr. Speaker, I appreciate the question from my colleague from the Bloc. I would first like to inform him that

there are supply managed producers not only in western Canada, but a number of them are in my constituency. A number of them support the Reform position with regard to what will happen to supply managed industries.

During the election campaign Reform was the only party that was calling a spade a spade. We said there were going to have to be changes to the supply management industry if we were going to be able to comply with the GATT negotiations that were under way at that time and which were not completed until after the election.

In fact what we predicted almost happened to be 100 per cent accurate. The import quotas were replaced by tariffs. We suggested those tariffs would have to be high enough to protect those industries during a transition period to a global market economy. The GATT agreement has actually been very generous to the supply managed industries in that there are extremely high tariffs in place, 300 per cent tariffs for many commodities, which basically excludes any importation of those products.

As a result of this World Trade Organization agreement and regulation it seems that the supply managed industries have preferential treatment over many other sectors of agriculture which are phased down more quickly and have to take much greater reductions in subsidies.

I would respond to the hon. member in saying that the supply managed industries have probably fared better than the majority of producers in my part of the country who are going to see substantially higher reductions in the subsidies they receive.

I would also take this opportunity to remind the hon. member that if he does get his way and Quebec does separate from the rest of the country, these favourable conditions certainly would be very difficult to sustain. I am sure that Canadians would not continue to give the province of Quebec as high as a 50 per cent market share of industrial milk into Canada for instance.

• (1200)

It would be wise if he would explain the situation to his constituents. In fact they would be hurt much more by opting out of Canada than by remaining in Canada, even though we agree that supply management has to be reformed and that some of the basic rules under which it functions have to change.

[Translation]

**Mr. Stéphane Bergeron (Verchères, BQ):** Mr. Speaker, I will try to be as brief as I can. I was a little upset by what I just heard from my Reform Party colleague, when he said that if, as they say, Quebec should separate from the rest of Canada, the rules for selling Quebec milk on the Canadian market would no longer be the same.