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are responsible for the hardship suffered by our grain industry. They have not been eliminated, far from it. The GATT negotiations resumed this week, thank goodness, albeit at a snail's pace. Undaunted by the opposition it faces, Canada fiercely carries on to have its position recognized.

On that point, Mr. Speaker, I must say that Canada was most careful in developing its position to be put forward at GATT. We brought together farming groups from across Canada; we established an advisory group; we met with the provinces. The position we put forward and still defend, Mr. Speaker, has not changed. The Minister of Agriculture reaffirmed that fact in this House yesterday, in response to a question from the opposition. Our position has not changed, Mr. Speaker, and it will not change. We realize that our position is miles away from the American and European' positions. Changes have been taking place recently, and Canada is now somewhere in the middle. Based on a basic principle of physics, we are pretty confident that, if the parties are drawn closer together, they will necessarily adopt positions closer to our own, since we are in the middle. We will certainly do our best to make that happen. We will spare no effort, hopefully with the support of the opposition parties and the members of this House, to ensure that the Canadian position is recognized at the GATT. Because it is sensible, of course, but mainly because it reflects perfectly Canada's historical position as well as the farm producers' position.

As far as international trade is concerned, the Canada US trade agreement which has proven beneficial nevertheless confirms the need for constant vigilance. You know, the funny thing is that the members opposite who were against the Free Trade Agreement strangely enough keep pretty quiet when it comes to the Canadian agri-food industry. The reason is, Mr. Speaker, that agri-food products exported to the US have increased by approximately 30 per cent over the first two years since the FTA was implemented. More than 30 per cent, Mr. Speaker! Now, the deficit we had incurred because of the need to buy fruit and vegetables out of season, that \$700 million plus deficit was brought down to \$300 million by the end of last year which means that we had already done a lot of catching up as a result of our export increases.

• (1600)

It was constructive and positive long-term work because we need to ensure our farmers' income security. That is a long-term proposition. It does not involve temporary measures adopted *ad hoc* every year, not as part of an overall plan.

As has been said many times, we cannot help it that our competitiveness is an "in" topic in all regions of the country. We realized that despite the considerable efforts made in recent years, we had forgotten that Canada could not afford to lose its competitiveness. You cannot export or sell your products elsewhere in the world, even to another province of Canada, if you do not remain competitive. That holds true for the agri-food sector, Mr. Speaker. It is especially true for farming because we, western farmers in particular, will depend very heavily on exporting our products abroad, not only in the West but also in Ontario and Quebec. We are exporters. The strength and vitality of the Canadian economy has been its ability to export.

Mr. Speaker, it will not be possible to remain strong, to remain the exporting country we have always been, if we do not act quickly, taking drastic action in some cases, to ensure that Canadian industries are competitive.

Our competitiveness will depend on quality products that attract increasingly well-informed consumers. I believe that the markets have room for higher-priced upscale Canadian products in some cases. However, for the same quality, needless to say, lower production costs will always carry the day. To stay ahead, we must find ways to produce at lower cost and always remain on the alert to be ready to use the most efficient and productive methods.

Farming feeds the whole food-processing industry. Processing can be the key to success for the whole agri-food sector. If it can rely on high grade commodities produced at competitive costs, a creative industry can work wonders on the market and promote both production and economic diversification. It was the case, I remember, with the chicken industry and the poultry industry as a whole.