

Honourable senators, while Canadian exports of sugar to the U.S. did reach a high point of 80,000 tonnes in recent years and roused the ire of U.S. refiners and food processors, it is also true that U.S. imports of refined sugar into Canada grew from less than 1 per cent to 13 per cent of the Canadian market. Rather than maintain or increase this two-way border flow, the U.S. government has been persuaded to erect barriers. In a letter to a leading American sugar executive, the U.S. trade representative offered the assurances that the new tariff-rate quotas will "sharply reduce U.S. imports of sugar and sugar-containing products."

The measures, if implemented, will have a profound effect on communities in Eastern Canada that rely on food processing jobs for employment. In Manitoba, where roughly 50 per cent of the beet sugar produced by the Manitoba Sugar Co. has traditionally gone south, the impact could be devastating to factory workers. While restrictions on imports of beet sugar are not slated to come into effect until October 1, unless an early agreement to alter the quotas is reached the parent company, B.C. Sugar, will be unable to offer contracts to growers with any assurance that its product can be sold in the U.S. As the smallest of six refineries, the Manitoba plant is the most vulnerable. Perhaps not surprisingly, the same month the U.S. trade representative offered his assurance to the U.S. industry, the North Dakota-based American Crystal Sugar Co. invited Manitoba growers to ship their beets south of the border and appointed a sales manager to market American Crystal's product to Manitoba consumers.

Honourable senators, the situation that is looming is akin to the struggle that western producers of durum wheat experienced earlier this year. It is also national in scope. Early this week, representatives of seven national organizations — Canadian sugar beet producers, grocery products manufacturers, confectionary manufacturers, a labour union, users of industrial sweeteners, the tea association and the sugar institute — laid out a seven-point plan for the government. The first step is for Canada's International Trade Minister to raise the matter personally with the U.S. trade representative and win an agreement to postpone the implementation of the tariff schedule.

Honourable senators, in giving our support to the GATT agreement, we must have the assurance of the government that it will not be idle and allow the U.S. to impose restrictions that are contrary to the spirit of free trade. I hope the Minister of International Trade and the Minister of Agriculture will respond forcefully and urgently to protect the livelihoods of Canadian workers from these and any similar unfair and unbalanced trade restrictions.

Hon. H.A. Olson: Honourable senators, I want to make a few comments following on those of Senator Spivak. I agree that there are severe problems that individual sectors of our economy must accommodate in passing Bill C-57 and, indeed, in complying with the terms and conditions of the so-called GATT agreement.

I can tell honourable senators about several problems we face with respect to agriculture. Amendments to the Canadian Wheat Board Act will change the way we do business in the international market. The bill provides for many amendments but perhaps the most significant are those that will dismantle the marketing structures we have worked up in the agriculture sector — for example, all the supply-managed programs under Article XI of the GATT that we tried for years to have improved in favour of the Canadian way of marketing.

• (1350)

I have an interest in this business. I have spent thousands of hours designing and going through the enabling legislation that was passed by the federal government so that the provinces could delegate their authority to impose quotas, and that sort of thing. It is not important that I have spent all those thousands of hours. Senator Murray has also spent that much time, because he was one of those who were criticizing everything I was trying to do.

Senator Doody: Our leader was defending the sugar beet farmers.

Senator Olson: I want to be serious. We will have to restructure all of the supply-managed programs, and dairy is one of those programs. Under this agreement we have given access to a share of our market to the United States and other countries. If those countries exercise that access in a certain way, that can be extremely disruptive. For example, I am not sure of the exact numbers they are guaranteed, but I think it is approximately five per cent. If they apply that 5 per cent in a small region of Canada, it will hurt the people of that region a great deal. That is not all, however. In addition, they must also take apart the supply-management system and the administration of the quotas.

We can also talk about eggs. When we brought in the supply-management legislation, eggs were 8 cents a dozen. That is how much the producers received. They were cutting each other up from one end of the country to the other. The same is true with respect to poultry, especially broilers. When we brought in the legislation, it did not suddenly become better, but we put in place a basis and a structure for marketing under what is called a supply-managed system.

I stayed up all night at committee meetings more than once, because the Conservative Party had the philosophy that they could not stand farmers having a little control in their marketplace. If you want to go back over the record, it is all in there. I know we once sat in a committee until 7:30 in the morning because of the filibuster that was going on.

Therefore it is not easy for the agriculture sector to give their approval and try to support this agreement. We know that when the previous government was in office, they were negotiating this agreement in Geneva, day after day. I asked Senator Murray, "How are you doing?" I asked him that several times, especially with respect to Article XI. He will remember that. He said, "We haven't got it all yet, but we are trying hard."