

Tariffs affecting Canada/USA agricultural trade are already relatively low or are the same on both sides of the border as a result of past negotiations in the GATT; indeed, about half of our agrifood trade is already duty free. Past negotiations have not, however, resolved non-tariff barrier issues. These tend to be linked to domestic agricultural policies. Although the extent of assistance varies between commodities, it can be argued that the level of aggregate government assistance in Canada and the USA is roughly comparable. The different nature of the support measures, as well as the differences in the way in which assistance is delivered, will, however, make these discussions thorny.

On the multilateral front, I must confess that it is rather hard to be optimistic about immediate progress. Until the GATT negotiations are completed, some two to three years from now, Canada is, and will be, doing all it can to promote some concerted international action to alleviate the crisis. It remains to be seen, however, what might be achievable in the short term. In the longer-term, there are also obvious questions about what Canada might do in terms of its own policies to help restore rationality to international markets. It does not seem useful to me to speculate on these questions at the moment. We do, however, need to be thinking about this, since any negotiation which deals seriously with international reforms in agriculture will require contributions from all countries.

I wish that I could conclude with some rousing comments on the prospects for immediate improvements in world trade conditions, particularly for agriculture. I think that the prospects for improvements are very real and very promising. But it may take a little while longer to reach our goals than we would like.

In order to achieve these goals, however, it will be very important over the coming months to ensure that our domestic consultative processes work well, so that Canada can speak confidently with one voice at a range of international meetings. The continuing need for discussions with industry is what motivated the government to put in place the ITAC and the SAGITS. We are counting on these groups as well as on your representations to obtain the information we need to hone the policies that will take us through the adjustment process that is now upon us.