

Government Orders

provinces. This is merely another example of special status being granted to central Canada.

Signatories to the GATT have agreed that by the year 2000-01 they will reduce their export subsidy levels by at least 36 per cent in dollar terms and by 21 per cent in volume terms below the 1986 to 1990 average levels.

The 36 per cent target does not eliminate major subsidies to our competitors. Instead the export subsidy reductions are tied directly to average support levels during the height of the grain subsidy war between the U.S. and the EEC. At that time subsidies for some European grain exports reached levels at least twice the price of the product. Reducing these subsidies by 36 per cent would still leave a subsidy in place worth more than the cost of the grain, hardly what I would call a level playing field for Canadian farmers.

We cannot afford to tinker with our subsidy programs in the hopes that they might comply with future GATT agreements. We must act now to eliminate disincentives inherent in our system which prevent more efficient handling and transport of grains. We must act now to give farmers the information and tools necessary to make sound management decisions based on real market prices and transportation costs.

Given a fair chance I believe Canadian farmers can compete successfully on the world market. However we must go much further than this bill does when it merely modifies our programs to meet with current international approval. As subsidies are brought down over time we must restructure all of our programs to prevent more internal distortions from creeping into the domestic decision making process.

• (1600)

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, today we all have to take a look at what is going on around us and realize the globalization that is occurring leads us to where we are in terms of the agreements we are talking about.

I have heard today that farmers are asking for a level playing field. I have heard that there is new hope for the industry and for Canadians. I have heard that supply management is on its way out but we do have time for adjustment so that people can get used to it.

I heard from one Bloc members that there is a great fear and a hatred for the U.S., that it is trying to destroy our culture, and that it is going to gobble us up. Separation, it seems to me, is a good way to get gobbled up, certainly with regard to whom they are going to be trading with. When they start having to trade with the Americans they had better believe it will be in English. The young people of Quebec will certainly be speaking English rather than French.

It is incredibly ironic we are making good progress on eliminating trade barriers internationally but have an awful long way to go at home. Under the current system Canada's domestic market is seriously fragmented by provincial trade barriers. This not only affects our competitiveness internationally but reduces our collective prosperity at home. Provincial impediments to free trade in Canada add around \$6.5 billion annually to the cost of doing business in the country. It is around \$1,000 per family and is absolutely unacceptable.

While the government is pressing hard for freer trade worldwide and is presenting the WTO enabling legislation in the House, it must also spearhead a movement to get rid of provincial trade barriers once and for all. If we could eliminate barriers to trade at home, the efficiency of Canadian businesses would be increased and their ability to trade internationally would be expanded. What better way is there to improve our position in the international marketplace? This is especially true for small and medium sized businesses which are suffering under the current system.

Today we are globalizing. We have talked a lot about that. We are finding that the world is probably breaking up into three major units. We have Europe including the eastern part of Europe. We have the Americas both north and south, and we have the Asia-Pacific. We must get outside. We must realize that the world is much smaller and not stick our head in the sand and hope that it will not catch up to us.

I was fortunate to travel across the country to listen to briefs presented by Canadians. Everywhere we go, including many international areas, we are told that we are not competitive because we are not aggressive enough, because we do not get out there and sell the country and the products we have.

We have trade departments that are doing a good job. They are attempting to market Canada and our products throughout the world. Something like the WTO is a great boon to them because it gives them a common level playing field on which to market the country and its products.

In my role in the foreign affairs area I have heard time and again about the importance of such rules based multilateral systems. While the WTO does not solve all the problems that exist over international trade, it does take a giant step in the right direction. Such a rules based multilateral trading system will protect countries like Canada from the unilateralist tendencies of the largest trading companies and increase our position in bargaining and negotiating with the United States. Hopefully in the years to come Canada will play a leadership role in the strengthening of the rules based multilateral system by promoting the WTO to effectively deal with the questions of trade remedies and anti-dumping actions.