

Government Orders

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I would like to thank my colleague for his remarks and his real concerns for the plight of the agricultural communities across Canada.

The member will be aware that a few months ago the Prime Minister and his government caved in at the GATT on a decision regarding ice cream and yogurt. They hoped, I guess, that the GATT negotiations would be successful and that they could hide this decision behind some sort of GATT agreement.

Could the hon. member tell the House why the government has refused, as even today the Prime Minister has refused, to say what it will do now to help dairy farmers, given the fact of this GATT decision on ice and yoghurt, as well as the effect the free trade agreement is going to have on our dairy industry, and indeed on our whole supply-managed areas.

Could he outline to the House his feelings in this area and what he would do to help solve the plight of Canadian farmers?

Mr. Foster: Mr. Speaker, I thank the hon. member for Haldimand—Norfolk for the important question.

It seems to me there are two distinct areas in the negotiations which are important. One area which I have spent some time speaking about is the terrible vulnerability of western grain producers because the government has effectively slashed support programs in the west by 50 per cent during the last two years. Of course, farmers cannot survive at that level.

With regard to the ice cream and yoghurt decision which was made just a year ago, essentially it grew out of the FTA—or, as the Minister of Agriculture likes to call it, the CUSTA agreement—where we essentially open our markets to access from the United States. The United States maintains its GATT waiver from 1954. We did not get any agreement in the FTA to limit the imports of commodities such as ice cream, yogurt, or other processed dairy products under that agreement.

Immediately the agreement was signed in January, 1988, the government assured us that we would be able to control imports—processed dairy products, for example—by simply putting them on the import control list.

It was rather interesting that Senator Bensten from Texas, immediately after the deal was initialled, said: “We will immediately petition you before a panel of

GATT and we will have access to those products.” This was after the initialling of the agreement.

The government sat back and did nothing in spite of the warnings by the chairman of the Finance Committee of the United States Senate. As soon as the deal was consummated in 1988, the government put these commodities such as ice cream, yogurt and other commodities on the import control list.

True to their word, the United States immediately took us to GATT and it got a favourable decision in September of 1989. The government hemmed, hawed, and fumed for two or three months, but ultimately accepted that decision. It said it would not implement it until the end of the GATT negotiations.

The question is: Have we got to the end of the GATT negotiations? We hope not. We hope that there will be an agreement that they will only be suspended and that they will come back with an agreement in January. Hopefully, that agreement will sweep up this massive breach in our whole dairy industry.

If the negotiations are complete, then the United States has full access and the government will have to implement it, or the United States could take retaliatory action. It could slap a special duty or tariff on commodities coming from Canada to the United States.

• (1310)

One thing is clear. The dairy industry, Carla Hills, and the entire United States administration are determined they are going to have access, while at the same time maintaining a complete lack of access for our producers. This seems to be the unfairness of the whole FTA. They maintain full embargo or lack of access for our products, while they have gained access to our markets for processed dairy products.

It is little wonder, when the Prime Minister was questioned by the hon. member for Haldimand—Norfolk, that he launched into one of his usual tirades about how much he has done for agriculture. Farmers across the country, I can tell you, Mr. Speaker, are asking the government, the Prime Minister, and the Minister of Agriculture: “What have you done for me lately?” There is no answer.

Mr. Dave Worthy (Parliamentary Secretary to Minister of State (Privatization and Regulatory Affairs) and Minister of State (Finance)): Mr. Speaker, I have a brief question. I know that the hon. member is an honourable