

CANADA-UNITED STATES RELATIONS

TRADE—NEW APPROACHES—GOVERNMENT POLICY

Hon. Duff Roblin (Leader of the Government): The next question was raised by Senator MacEachen on November 15, 1984 regarding Canada-U.S. relations and new approaches to trade.

(The answer follows:)

The Speech from the Throne indicated that the "government is exploring with our neighbour new approaches to a better and mutually advantageous trading relationship".

The Agenda appended to the Economic Statement outlined that "Canada is the only major industrial country without unimpeded access to a market large enough to permit substantial economies of scale. If we are to foster growth through trade, we must obtain more secure and improved access to foreign markets on the broadest possible scale. This would require, of course, that Canada would also have to move to increase access to its domestic market".

The Government undertook to examine, as a matter of priority, and in close consultation with the provinces and the private sector, all avenues to secure and enhance market access. This will include a careful analysis of options for bilateral trade liberalization with the United States in light of various private sector proposals, as well as preparations for and opportunities provided by a new round of multilateral trade negotiations under the General Agreement on Tariffs and Trade.

The examination would address, inter alia:

- (1) Tariffs and non-tariff measures;
- (2) Investment and access to technology;
- (3) The constraints freer trade would place on Canada's domestic economic policies;
- (4) New institutional approaches which might assist in the management of the Canada-U.S. trade and economic relationship;
- (5) Complementary or alternative approaches to sectoral trade liberalization; and
- (6) Implications arising from Canada-U.S. free trade arrangement.

Such approaches will be explored in due course as the analysis proceeds.

AGRICULTURE

MARKETING OF POTATOES

Hon. Duff Roblin (Leader of the Government): The next question was raised by Senator Corbin on November 20, 1984 regarding the marketing of potatoes.

(The answer follows:)

In reference to the status of the Commission of Inquiry on the Marketing of Potatoes in Eastern Canada, this

Commission will be disbanded within the next month. The Potato Marketing situation in Eastern Canada has already received a lot of study, most notably in the public hearings and deliberations of the National Farm Products Marketing Council in 1980-81. The federal Government is aware that problems exist in the industry but believes that the Commission would not be a cost-effective means of furthering federal decision-making. The Government is directing the National Farm Products Marketing Council to receive and consider the submissions that industry groups and the provinces have been preparing for the Commission of Inquiry.

INTERNATIONAL TRADE

EXPORTATION OF GRAIN TO PEOPLE'S REPUBLIC OF CHINA

Hon. Duff Roblin (Leader of the Government): Honourable senators, the next question was raised on November 20, 1984 by Senator Buckwold regarding international trade and the exportation of grain to the People's Republic of China.

(The answer follows:)

International Trade

Although the People's Republic of China is itself the world's largest producer of rice and total cereal grains, it has consistently imported large quantities of cereals, primarily wheat, for many years. The principal suppliers of wheat to China are the United States, Canada, Australia and Argentina.

WHEAT IMPORTS — CHINA

Crop Year	Argentina	Australia	Canada	U.S.	EEC	All Sources
July/June						
1979/80	0.5	3.6	2.6	1.9	0.1	8.7
1980/81	0.2	1.4	2.9	8.7	0.6	13.8
1981/82	0.2	1.5	3.0	8.3	0.1	13.0
1982/83	2.0	1.0	4.2	4.2	1.4	12.8
1983/84	1.0	1.7	3.8	3.1	0.1	9.7

SOURCE: IWC World Wheat Statistics.

A succession of four record domestic harvests has enabled China to reduce its dependence on imported grain. The output of all grains rose from 321 million tonnes in 1980 to a forecast record of 404 million tonnes in 1984, including a record wheat crop of 83 million tonnes, the world's largest. However, given the strain on the country's internal transportation infrastructure, it is likely that imports will remain relatively substantial. China remains fully established as the world's second largest importer of