

Oral Questions

Government of Canada is conveying to the administration of the United States.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, that is exactly what we have always said, that this was not a good deal and that it should be renegotiated.

We have proof today that on the first occasion the Americans have, they will abuse the process.

Does the Prime Minister agree that we should first clarify the kind of deal we have with the Americans before we enter into a deal with the Americans and Mexico? We do not know exactly whether we have a deal or not with the United States.

Some hon. members: Hear, hear.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I see the member for Edmonton applauding. He was one of the supporters of the free trade agreement.

Some hon. members: Oh, oh.

Mr. Mulroney: He voted for it and he ran on it. We know he was in favour of it. We suspect his leader was in favour of it, and maybe one day he will let us know.

Mr. Chrétien: We will renegotiate the deal.

Mr. Mulroney: Now he says: "Renegotiate the deal."

He says the deal is okay, but he wants it renegotiated. We have a deal. It is not going to be renegotiated. We want it respected, and the Government of Canada is going to make sure it is respected.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, in 1988, the Prime Minister said the dispute settlement mechanism in the free trade agreement was a "genuine shield against new U.S. protectionism, whether from Congress or from the administration".

As the Leader of the Opposition has noted, the Minister for International Trade in New York yesterday said that the U.S. challenge to the bi-national panel's decision "is a response to protectionist pressures from Congress" and that "this move attempts to put politics back in trade."

Will the Prime Minister now acknowledge what the Liberal Party has claimed all along, that the existing free

trade agreement does not in effect "shield" Canada from congressional protectionist interests and pressures? Is the Prime Minister saying that if the extraordinary judicial committee decides against Canada's interest that we should rethink the free trade agreement? Is that what he said just a moment ago?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend is a spiritual supporter of the free trade agreement.

He knows full well that I said no such thing. I did indicate that the dispute settlement mechanism is indeed a shield against protectionism. It is not a guarantee against vexatious political behaviour. We believe that this is an abuse of the process. I have conveyed that personally to the President and we have conveyed it to the administration. We are going to deal with this matter.

We do not take the position, unlike some people, that when we run into trouble we are going to take our marbles and go home. That is not the way we conduct foreign policy and that is not the way—

Some hon. members: Oh, oh!

Mr. Mulroney: Mr. Speaker, I am not going to quarrel right away with my friend from Newfoundland about that statement. But with regard to the position of my hon. friend, obviously we are going to defend very vigorously the interests of Canada. We already won the pork case. The pork case was initiated before the free trade agreement. The problem was there before the free trade agreement. We won on two occasions the requirements of the pork decision. Now there is an abuse of process by the Americans against which we protest very vigorously. I believe the Canadian position will prevail.

Hon. Roy MacLaren (Etobicoke North): The Prime Minister knows perfectly well that the government accepted this process. It accepted it as an integral part of its acceptance of the free trade agreement. The government accepted it. It knew what it was accepting. It knew that this process could be triggered.

The extraordinary judicial panel in effect determines, with the Canadian government's agreement, whether or not the bi-national panel's decision conforms with U.S. law. In taking this step, the United States is not only