

*Canada-U.S. Free Trade Agreement*

either an Act of the U.S. Congress or an Act of the Canadian Parliament. The likelihood of that kind of action being taken by the Congress or by the Canadian Parliament is of course very remote, so one would have effectively established a level of certainty far exceeding what one finds in this agreement.

A lesser proposal, not quite as dramatic, is simply that a blue ribbon panel be set up *ab initio* to deal with the particular complaint of a U.S. domestic industry, and in that fashion a determination would be made by a blue ribbon panel. Then, should the complainant really want to take on that panel and proceed through the administrative mechanisms in the courts of the United States, the complainant would be free to do so. It was felt that over a period of time the stature of such a panel would dominate and, by convention, would probably become effectively the panel of first and last resort on these disputes.

I do believe, if we look at Chapter 18, the creation of a Canada-U.S. Trade Commission, that this lays some groundwork at the cabinet level which I think over a period of time could be developed into an effective agency for the resolution of most international disputes.

There are other areas that are seldom discussed, such as the frequent application of Section 337 of the 1930 U.S. trade law, which is used to harass, especially new wave industries who claim patent protection, and they are basically through a simple petition exercise involved in U.S. court proceedings. This is something which I understand was addressed during the negotiations but was not resolved in Canada's favour. We have here, indeed, the *status quo*. In any new wave industry, if any of us should develop a product which we feel must have access to the United States market, which effectively all new wave products must have, then the question is: Why would I put my plant in Montreal as opposed to Burlington? Would I not be better off trying to export back to a market of 25 million people and stay in the market of 250 million?

I say again that security of access was not achieved. The situation remains effectively where it is. What about enhanced access, government procurement? Again, I think that we all have reason to be profoundly disappointed. We now have achieved, according to the calculations, an increase cutting into that \$700 billion of government procurement of approximately one-half of 1 per cent. Big deal. We have moved to \$4 billion. It is a little movement, but certainly a far cry from the expectations that Canadian exporters had with respect to achieving greater inroads into U.S. government procurement at all levels. You may recall that government procurement by America was one of the specific examples that I cited a moment ago.

What about the other side? What about this issue of sovereignty that we hear so much about? Are social programs and subsidy codes and so on going to be affected? I think that one thing that the people who criticize this agreement must recognize—and most refuse to do so—is that the GATT already provides a very high degree of encroachment on Canadian sovereignty. Canadians are not free to subsidize as

they like. We may have done it in certain instances, but we are not getting away with it in many instances. That will get worse and worse.

To use the sovereignty argument one has to recognize that every treaty of any kind, in any area, is an encroachment on sovereignty. It is a surrendering of sovereignty to an international forum.

I would remind you, Madam Speaker, and others of this House, especially critics of this accord—because no one knows what the total impact may be—that this agreement is terminable on six months' notice. It seems to me that that is a complete answer to the sovereignty question. If Canadians feel at a given moment in time that yes, indeed, their social programs are going to be affected, are going to be homogenized, are going to be swallowed up by the whale, surely there would be enough national will in Canada to say "Enough is enough, we will terminate the agreement".

I might add as a footnote that I wish that Meech Lake were terminable in such fashion. The free trade agreement is there for six months, but Meech Lake, I fear, is there forever.

I also hear a lot of people lecture Canadian business on the fact that it does not really know what is good for it. I would not presume to do that. The business community has looked at this agreement and by and large has decided that it is in its best interests. I am forced to rely upon its opinion. It seems to me that it is somewhat presumptuous to tell the Canadian business community that this agreement is really bad for it and that we know better in this place.

What of the threat to cultural industries? I come back to the question of sovereignty. One argument to which I have never received a satisfactory response when I always argued for a comprehensive agreement was this: Does one as a Canadian seriously think that in terms of cultural industries the Italians, the French, the Japanese, the West Germans, and the British are going to step forward and protect the Canadian publishing sector or the Canadian communications sector or the Canadian theatrical sector? It can only be done in one way, and that is by a bilateral negotiation with the United States. It cannot be escaped, because the others have totally different interests. I do not think that the Japanese are especially concerned with their publishing industry in terms of American intrusion.

I understand that I am running out of time. Let me just say that I am satisfied, from my own experience and my own studies, that the GATT is not an alternative. I should say that in cleaning out my office—because, as I have said, I will not be running in the next election—I came upon a speech which I gave to the National Liberal Leadership Convention in 1984. In one paragraph of it I said: "Those who are involved with me in my campaign are tired of the old refrain that the world is a hostile, competitive environment, that we must peer beyond our borders wary and trembling in collective insecurity". I say that the adoption of this agreement will be very much in keeping with that thought, although I have serious reservations about it, as I have pointed out. Much improvement is needed,