

Oral Questions

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, our colleague opposite has shown his usual great imagination in framing his question and preamble. The answer lies in the Transportation Accident Investigation Board.

Ms. Coppins: Oh, come on, that's ridiculous.

Mr. Thacker: The interesting point is whether the Opposition will stall that new board and delay and filibuster—

Some Hon. Members: Oh, oh!

Mr. Holtmann: That's what they will do.

Mr. Thacker: —or will the Opposition give us that Bill in one day, because that will solve the problems.

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TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—WORDING OF PROPOSED U.S. LEGISLATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. It involves his Chief of Staff, Mr. Burney, and the free trade agreement. The proposed wording of the free trade legislation, as jointly drafted by the U.S. Senate and the House of Representatives, includes a clause pertinent to the interim period during which time a working group of Canadians and Americans is to determine the issue of subsidization. The wording is:

Any U.S. industry may petition USTR—

That is the United States Trade Representative.

—if it competes directly with imports subsidized by the Canadian Government and is likely to experience a deterioration of its competitive position before the working group develops more effective rules and disciplines concerning the use of Government subsidies.

Some Hon. Members: Come on!

Some Hon. Members: Order!

Mr. Broadbent: The Prime Minister is paying attention even if some of his back-benchers are not. The clause goes on to say that very specific action may be taken against Canadian exports in the interim.

Was Mr. Burney sent to Washington this morning to meet with representatives in the U.S. to discuss very specifically this proposed wording in the U.S. legislation, because it appears to single out Canada for special unfavourable action during the interim period, giving U.S. industry additional weapons to use against Canadian exports? Is that the reason Mr. Burney was dispatched?

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker, that is not the reason. The reason is for an opportunity for Mr. Burney, as agreed, to compare notes with the

American administration with respect to our obligations to bring forward legislation before our respective Legislatures, and an undertaking to consult to ensure that, to the extent humanly possible, we avoid inadvertent incompatibilities with respect to the drafting of that legislation.

• (1430)

With respect to any specific question my hon. friend has based on that document, I would be happy to examine it. But the free trade agreement did establish a working group to develop over the next five years some effective rules for dealing with trade distorting subsidies. In the meantime we have improved our security of access through a binding bi-national dispute settlement mechanism.

I am not sure if that deals directly with the question my hon. friend raised on substance or not, but I would be happy to examine the document and respond with greater precision.

PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would certainly not expect that it would be unreasonable to expect the Prime Minister to have before him the particular clause that I am referring to, or even conceivably the detailed knowledge of that particular clause. Since Mr. Burney is involved and he is the Prime Minister's Chief of Staff, and there is a wire story that is just now out alluding to Mr. Burney's trip being related to the question that I just asked, I want to ask the Prime Minister if he will deal with this in general terms.

Has he discussed in his office with Mr. Burney, or with the Minister who is responsible for trade, a possible interpretation of this clause that would give the United States additional powers *vis-à-vis* Canadian industry that could be used in an unfavourable way against Canadian industry during the next five-year period until the issue of subsidies is settled? That is the story that is out. The wording which I have just quoted is potentially quite alarming. Is the Government concerned about that issue?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend asks whether we discussed this matter and whether Mr. Burney was dispatched in regard to the question raised. The answer is no.

We assume that the legislation that emanates on both sides will be consistent with the free trade agreement. It is further stated that any inconsistencies at variance with the free trade agreement would be unacceptable.

I can point out to my hon. friend that Mr. Burney is down there with a group of officials pursuant to an agreement—not an unusual one—reached at the Washington Summit a few months ago when I was there. It was agreed that at a mutually acceptable time prior to the Toronto Summit both sides would meet to try to compare notes in respect of ongoing trade matters and preparations for the Toronto Summit. That is