

Canada and the United States must improve the way in which we resolve trade disputes. We have all lived through the softwood lumber case. I do not want to re-open all of the old arguments about the negotiated settlement. But I do ask you to consider the following.

What if the lumber case had been dealt with by an impartial, binational body?

What if a treaty - rather than the U.S. Department of Commerce - set out the rules for determining what is and is not countervailable?

What if a treaty provided that disputes were to be settled in a final way and would not be open to the threat of legislative solutions if the "wrong" decision were made?

What if a treaty helped to shield Canadian exporters from massive lobbying campaigns aimed at limiting their access?

In my view, we would be much better off. We would have mutually agreed rules applied by an impartial body. Could anyone seriously argue that this would not be an improvement over the existing situation?

I'd like to make one further point on the subject of trade remedy law. It is interesting to note American reaction to the Canadian import tribunal's recent decision on corn.

Some of you may not know that Canada has its own countervail law, the special import measures act. A case launched by the Ontario corn producers against their American competitors resulted in a subsidy finding. When the tribunal, an independent administrative body, found injury, the American reaction was swift.

They were astounded. How could the tribunal possibly find injury? Did Canada know what a threat this decision posed to the international trading system? Their rhetoric echoed my criticism of their lumber decision.