

*Oral Questions*

**Some Hon. Members:** Shame!

**Mr. Hnatyshyn:** I realize that, I was reading the *Saskatoon Star-Phoenix*. In response to the specific hypothetical question put by the Hon. Member, I can only say that it is certainly the position of the Government that the treaty or the agreement itself is within federal jurisdiction and federal competence.

● (1440)

It has been stated, with respect to areas which impact on the provinces, that we are satisfied the provinces will indeed co-operate and do the things necessary to give full effect to an agreement which brings so many benefits to Canadians. I hope the Hon. Member will understand the progress this Government has made in federal-provincial relations, which progress is so different from federal-provincial relations in the past.

**Mr. Langdon:** The reason the *Kitchener-Waterloo Record* has this front page report is because the Minister for International Trade just visited Kitchener and was not able to satisfy the reporters from that paper—

**Some Hon. Members:** Oh, oh!

**Mr. Langdon:**—that the Government would not take this course of action.

## GAS DISTRIBUTION AND PRICING POLICY

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, is it because of this uncertainty about disallowance, which the Minister did not actually deal with, that the Minister of Energy, outside the House yesterday, said the question of who controls gas distribution and pricing policy in this country may ultimately have to be decided by the Supreme Court of Canada?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I do not accept the Hon. Member's allegation about the incompetence of the reporters of the *Kitchener* newspaper. Anyone who knows the Minister for International Trade will know that she answers all questions with great effect.

With respect to the question of provincial involvement, may I remind the Hon. Member of the very extensive discussions, briefings, and the amount of time spent by the Prime Minister personally with the provinces, step by step, as this process unfolded over the course of the last few months and years. This consultation with the provinces is unparalleled. They are not taken by surprise by this arrangement. They have been kept fully informed. I think this is a terrific deal for all provinces and all of Canada and I know they will support it.

## USE OF FEDERAL POWERS

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, my question is directed to the same Minister. It is reported—

**Mr. Wilson (Etobicoke Centre):** Where?

**Mr. Axworthy:**—that the negotiations over the final text are being held up an inordinately long time. One reason for that is because the U.S. has not received from the Canadian Government any firm assurance that the provinces will implement that part of the agreement which falls within their jurisdiction. The Minister for International Trade said the federal Government expects the provinces to implement it. We are now into a major federal-provincial conflict over this fundamental point.

The Minister did not in any way deny the fact that the federal Government may use its declaratory or other powers under the Constitution to force the provinces to follow this agreement. If that is not the case why will the Minister not get to his feet and say so? Why will he not say that the provinces have the right to veto this agreement in areas under their jurisdiction?

**Mr. John McDermid (Parliamentary Secretary to Minister for International Trade):** Mr. Speaker, the provinces, even those opposed to the agreement, have said they will not scuttle it. Premier Peterson has made it very clear that this is within federal jurisdiction, and that although he philosophically opposes it he would not scuttle or destroy the deal. We understand why. He realizes that this is going to be very good for Ontario, but philosophically he cannot handle it.

**Mr. Axworthy:** It strikes me that it was not a philosopher who wiped out the Tory Party in Ontario last summer. It was a very pragmatic politician.

**Mr. Speaker:** Hon. Members will know that we are well into Question Period and well behind in the number of Members who have been recognized. I am going to ask Hon. Members to limit their preambles to the facts necessary to the question and then put the question.

## DISPUTE SETTLEMENT MECHANISM

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, I will direct my supplementary question to the Deputy Prime Minister who I hope will speak on behalf of the Government. Speaking of the Province of Ontario, today it tabled a report prepared for it by the legal firm of Blake, Cassels & Graydon, a distinguished group of legal experts, particularly in trade. That firm reported specifically that the dispute settlement mechanism is so flawed that not only will it not guarantee access, it will provide even further problems for Canadians in gaining access. It will deny the provinces and individuals their right to normal redress in the courts on trade disputes. The litigants in any trade dispute will be denied their constitutional rights.

Considering that serious flaw which has been pointed out by legal experts, is it not proper for the Government to admit that this mechanism is not worth the enormous price Canadians will have to pay? It will not work and will in fact do more damage to Canada than what we have now.