

Government Orders

strengthen environmental co-operation in North America; promote sustainable development on a continental basis; create an effective institution to oversee this agreement; effectively enforce and enhance compliance with domestic environmental laws.

In the area of labour co-operation, NAFTA will improve working conditions and living standards in all three participating countries and it will protect, enhance and enforce basic workers' rights.

In order to benefit fully from any trade deal, the government must ensure that Canadian businesses are in a position to participate fully in the new opportunities that exist.

The hon. member for Calgary Southwest and many of my colleagues have spoken about the importance of bringing down the cost of doing business. We must eliminate deficit spending so that we can finally lower taxes. We must eliminate interprovincial trade barriers.

There are many categories of barriers. In the agriculture and food processing industries over 100 barriers exist. They include production quotas, differential labelling, quality and packaging standards, and transportation and stabilization subsidies.

In the liquor, wine and beer industries we have provincial production requirements, local bottling requirements, differential mark-ups, quotas, packing requirements and marketing favouritism.

In the transportation industry, we have different licensing requirements, size and weight requirements, safety regulations, provincial transportation board discretionary powers, and varying fuel and sales taxes.

In the area of government procurement, we find explicit and implicit preferences for local suppliers and requirements for locally produced materials. With government procurement expenditures exceeding \$100 billion per year, approximately 20 per cent of GNP, this is by no means insignificant.

In the area of labour mobility, there are different licensing requirements for professionals and trades persons from province to province. These barriers create significant impediments to people wishing to move to another province since skilled workers have to meet additional licensing requirements.

In the area of capital mobility there are industrial incentives, local investment funds and local tax incentives. Such carriers are often used for regional development and create an inefficient allocation of our financial resources.

The cost to our nation of these and other internal barriers is in the neighbourhood of \$6.5 billion per year. Interprovincial trade barriers have fragmented the marketplace and hindered Canada's ability to compete internationally. Furthermore, these barriers give competitive advantages to large firms that can

afford to comply with the stringent rules imposed by government. At the same time they hinder small businesses from reaching their market potential. Unless we can improve competition within our own borders and can lower the cost of doing business by providing some tax relief, we will never be able to reap the full rewards of the expanded trade opportunities that exist.

• (1245)

I have outlined our party's concerns on the need to let businesses take full advantage of this trade agreement. We expect the government to take the necessary steps to allow this to happen.

Let me get back to Bill C-4. Under NAFTA a compliance mechanism has been established in the event an arbitral panel finds persistent patterns of failure by a country to effectively enforce its labour and environmental laws. If a country fails to correct the problem, the panel may impose sizeable fines. In the event that a fine is imposed on Canada, and it is very unlikely this will happen as one speaker said earlier, the fine would ultimately be enforced by domestic courts.

At this stage we support this bill and its enabling legislation in order to move quickly to bring this trade deal into full effect. But we do have a few specific concerns that need to be addressed.

First, the bill states clearly that any panel determination that would enforce Canadian labour laws or standards cannot be appealed. We would favour the addition of an appeal process.

Second, we would insist that Canadian members on this panel be chosen on the basis of fair regional representation.

I trust that the standing committee reviewing this legislation will address our specific concerns.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I appreciate the opportunity to speak today on Bill C-4. Many members will realize this was a central issue for us not only during the last campaign but during the last Parliament.

Many of us participated in the around the clock debate when the then government brought in the NAFTA. Our critic for labour, the member for Kenora—Rainy River, led the debate. We did our best to get the government to include side deals on NAFTA related to labour and environmental standards that we believed to be so necessary and so important for the integrity of this agreement.

We did not have such luck. But it was amazing during the election how our NDP opponents forgot about that debate. They forgot that we debated around the clock and we did our best to fight for amendments to the deal. In fact I remember at one time during the campaign they said that the Liberals were really going along with the Conservative Party package on NAFTA when that was not the case.