

Canada-U.S. Free Trade Agreement

exports through misuse of trade. Let me leave no doubt that first a new regime on trade remedy laws must be part of the agreement”.

I have poured through Bill C-130 and looked at it extensively. I did not follow the example of the Minister for International Trade (Mr. Crosbie), and I actually read the documents and the agreement line by line. Nowhere in Bill C-130 or in the agreement itself do I see a new regime on trade remedy laws. In other words, the fundamental priority that the Prime Minister announced in 1987 somehow did not make it into the legislation or into the agreement. In other words there is no new regime. The agreement and the application of the dispute settlement mechanism will continue to apply existing trade law on both the Canadian and the U.S. side.

There are no limitations on United States industries taking their existing law and using it to continue the harassment of Canadian industry. That has not changed. In fact, as I have gone through the Bill and looked carefully at the whole section dealing with the dispute settlement mechanism, I found that we may end up with a worse regime than we started out with, a regime that will take longer to settle disputes and provide more cost to the Canadian businessman, simply because the way in which the dispute settlement mechanism works does not come into play until a final decision is made by the U.S. trade commission Department of Commerce. It may sound like a technical point, but let me remind you of this. Under present circumstances, as soon as there is a preliminary ruling by the International Trade Commission in the United States on their law, we can immediately ask for a GATT panel to review that.

● (1130)

Furthermore, under the existing circumstance, we can challenge the basic law itself. We can go to the GATT panel and say that this U.S. law is against international trade rules, that it confronts the rights and obligations under international trade requirements. But under the panel that is being established here in this clause of the Bill, we cannot do that. We cannot challenge U.S. trade law. We have to accept U.S. trade law as being the standard which has to be applied. All that this review panel will do is determine whether the law has been judiciously applied in a way that is fair and impartial. But the fact is that we can already do that. With the International Court of Trade in New York, we can already ask for a review that is based upon a fair, impartial adjudication.

For those who try to make out that that review system is unfair—and I have heard the Minister for International Trade and the Parliamentary Secretary and others claim that to be—I put in evidence in the House a statement made by Gordon Ritchie, the Ambassador for Trade Negotiation, a public servant who, when asked in committee, whether the International Court of Trade is a fair, impartial forum, said yes. He agreed. So we have a refutation of the Minister of trade through the senior civil servant who negotiated the agreement.

I have to scratch my head a little and say, what did we get? We did not get any new U.S. trade laws. In fact, the same trade laws are there. Indeed, the trade laws are now tougher than they were when the negotiations started. The United States has written into its implementing legislation new powers for the trade negotiations office to review and monitor Canadian exports in order to determine if there are Canadian subsidies. That was not there before. The reason why it is important is because the U.S. industry no longer has to pay to do its own research on Canadian subsidies. The Government of the United States will do it for them.

One of the great results for which I am sure the Conservatives will take great credit is that the negotiation has resulted in tougher trade laws being applied to Canada than when we started out.

An Hon. Member: Nonsense.

Mr. Axworthy: Once again we see the superior negotiating ability of our Prime Minister. On the weekend he gave an interview to *Le Devoir*. He promised to negotiate an agreement on acid rain based upon what he did at Meech Lake and the trade agreement. God forbid! Stop him before he goes ahead. Please, Mr. Prime Minister, do not negotiate an agreement on acid rain similar to what you did in Meech Lake and similar to what we got on free trade. Please, for the sake of Canada, don't do it. My goodness, if he negotiates on the same basis, we will end up drinking acid rain in our coffee cups every morning. He will provide that kind of wholesale giveaway on acid rain that he gave on the other kinds of agreements.

An Hon. Member: The U.S. will get the rain; we will get the acid.

Mr. Axworthy: That is right. I say if that is what we are asking for, goodness gracious, let's watch out. Please restrain the Prime Minister. Use your good offices to hold him in check. This country cannot afford another agreement so totally one-sided against us.

Miss MacDonald: So he is against Meech Lake?

Mr. Axworthy: We come back to the review panel and what do we have? We have tougher U.S. trade law and we have made it more difficult to go to GATT. It will take longer to have a review undertaken because under existing rules we can ask for a GATT panel 20 days after a preliminary decision. Under this section of the Bill we have to wait until the final decision, which may take a year or two, and that could cost Canadian industry one, two, two and a half, three million dollars. It goes back to the historic words of the Prime Minister: “Let me leave no doubt that the first of the new regime of trade remedy laws must be part of the agreement”. Now we know what he meant. Now we know what the new regime is. It is tougher laws, it takes longer, it costs more. That is the new regime. I wish he had spelled it out then. I wish he told us that in fact what we are asking for is a regime that will work less in our interest, be tougher for us to implement, be