

Our negotiators are meeting today. Therefore, it is not in their interests to mention specific negotiating positions. However, I do want to say what is on the table and why we are dealing with these matters. Tariffs are on the table because experience has shown that the Canadian economy has prospered through tariff reduction. This is so even with the Auto Pact which the Opposition keeps bringing up. Members of the Opposition fail to mention that tariffs have come down steadily within the Auto Pact. For vehicles, they have come down from around 17.5 per cent to around 9.2 per cent. For auto parts, they have come down from as high as 25 per cent to 9.2 per cent. We have been reducing tariffs for years, and in the trade talks we are seeking to reduce them to zero on Canada-U.S. trade over a period of 10 or 15 years, whatever is negotiated.

Non-tariff barriers are on the table. Since the early 1970s, non-tariff barriers to trade have proliferated. Some are clear, imposing quotas on imports, for example. Some are not so clear, using technical or health standards for protectionism rather than for legitimate purposes. Another item on the table is government procurement practices. We are seeking to drop our "Buy Canadian" for their "Buy American", and as the Prime Minister pointed out today, 1 per cent of American government procurement could create 75,000 jobs in Canada.

Also on the table are customs matters. We want to facilitate commerce between the two countries by reducing the paperwork at the border. That will mean lower cost for Canadian businessmen. Agriculture is also on the table. I have touched upon the massive global problems we face in agriculture and they exist because there has been insufficient progress in bringing international rules to agricultural trade.

We know that we cannot resolve all our trading problems in the U.S. Canada bilateral, but we can deal with some of them. We can deal with some tariffs, we can deal with health standards and we can deal with dispute settlement mechanisms that are used to harass agricultural products. Agriculture is very much a part of these talks.

Also on the table are subsidies and related measures. Those are important to regional development because under the existing trade laws, we often do not know what kind of subsidies we can use in regional development plans without bringing on U.S. trade actions. We want clear rules. We want to know what programs we will be able to implement for regional development. The existing international rules are not well defined and the U.S. is seeking to broaden them in, for example, the softwood lumber dispute and natural resource pricing. We want better rules in both countries because the U.S. subsidizes its products as well. We want better rules on what we can and cannot do. We need adjustment programs for the retraining which the Opposition talked about. We need programs for women.

Of the most important things on our agenda for negotiation are dispute settlement mechanisms. We want to replace the existing ones. The ones we have in place currently operate within the GATT framework but they do not make sense in application and they are unilateral. We want impartial mechanisms. For example, if the U.S. alleges that our stumpage programs are subsidies, we want an impartial, binational tribunal to deal with the issue, not the U.S. Department of Commerce.

Also on the table is intellectual property. This involves two issues: ensuring adequate protection for those who create new products, services or ideas, and ensuring access to those new products, services or ideas. Let me give you an example. One reason why companies locate their R and D in the U.S. is that if they want U.S. patent protection and someone else is developing the same idea, in the case of a tie the company which did its R and D in the U.S. gets preferred status. We do not like that because companies will locate in the U.S. to ensure their patents get U.S. patent protection. That means that good jobs for highly-trained Canadians are in doubt. We want free trade in intellectual property. We want free trade in services. This is a new area not now covered by international rules. More and more of our economy is service-based. It is about 67 per cent of our GPD these days. We have a solid record of growth in services of about 3