

I want to speak to you about one more topic today. That is, the important advantages that Canadians will lose if Mr. Turner and Mr. Broadbent have their way and the Free Trade Agreement is torn up.

First, Canadians will lose the protections achieved in the agreement against the misuse of existing U.S. trade laws, like that on countervail. I referred to the 1985 decision that upheld the recognized application of the principles in the GATT Code on Subsidies. What if next year, a politically-motivated U.S. decision reverses that? If there is no Free Trade Agreement, we can take the matter to the U.S. courts and get a decision maybe 3 or 4 years later. All that time Canadian businesses and their employees would be hurt. We could take the matter to GATT...we can do that under the Free Trade Agreement, as well...but that, too, can run into years and the U.S. can block a GATT decision. With the Free Trade Agreement we can get a speedy, impartial and clearly binding decision. We can more effectively shield Canadians from American protectionism. But we throw away that shield if the Free Trade Agreement is torn up.

Second, under Article 1902.2 of the Agreement, any change to U.S. trade law will apply only to Canada if the U.S. singles out Canada for this purpose. That may seem like a small thing. It is not. If the U.S. goes head to head in a series of bitter trade disputes with, for example, Japan or the European Community because of their protectionist measures, without this provision Canada could be badly mauled as an innocent bystander.

Some of you may recall what happened in August of 1971, when overnight President Nixon slapped a 10% surcharge on all imports to the United States. We weren't the target, but we got hit anyway. That's what this provision is intended to prevent.

Third, any new U.S. trade law that specifically applies to Canada can be challenged before it is approved and referred to a joint Canada-U.S. panel to determine whether it is consistent with the Free Trade Agreement and with the GATT. This is important because, while now we can take the case to GATT...as we will still be able to under the Free Trade Agreement...that is done after the law takes effect and the damage from the law is already being suffered by Canadian businesses and their employees. We would be throwing away this important protection if the Free Trade Agreement is torn up.