

CANADA-UNITED STATES FREE TRADE AGREEMENT—DISPUTE SETTLEMENT MECHANISM

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in the absence of the Minister for International Trade my question is directed to the Deputy Prime Minister. Two weeks ago I directed a question to the Minister of Trade about the statement by the chief legal counsel to the United States Trade Office suggesting that the whole dispute settlement mechanism would be unconstitutional under U.S. law. At that time the Minister said he was unconcerned about the matter, that it was a matter for the U.S. Government to deal with.

This weekend the chief spokesperson for the Canadian Government in the United States, the Ambassador to Washington, said in an interview with *The Wall Street Journal* that: "We would be profoundly concerned if the net result of U.S. legal constraints is that panel decisions cannot be implemented under U.S. law". The Ambassador is admitting that the whole dispute settlement mechanism is under question in terms of the U.S. legislation.

In those circumstances, does the Deputy Prime Minister not consider it foolhardy to ask this Parliament to proceed with legislation to implement the free trade Bill when the keystone of that Bill, the dispute settlement mechanism, itself cannot be implemented by reason of the U.S. Constitution? Should not the Deputy Prime Minister, as Government House Leader, simply decide to withdraw the Bill until those profound concerns raised by the Ambassador to Washington are answered?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, once again the Hon. Member is making definitive statements about the free trade agreement, saying that the binational dispute settlement mechanism is unconstitutional. It is in his mind that it is unconstitutional. I know that he does not have a background in law so perhaps we can understand why he comes up with some of those statements.

An Hon. Member: Neither do you.

Mr. McDermid: Two countries are presently implementing legislation. We are implementing ours according to the free trade agreement that was signed with the United States. We expect the United States to implement the free trade agreement within their legislation as well. That is what we are watching very carefully.

The free trade agreement does not become a *fait accompli* until the exchange of letters between the President and the Prime Minister takes place. That will take place after the free trade agreement is in legislation in both countries and abides by the letter of that agreement.

Mr. Axworthy: I apologize to the Hon. Member. I did not know he had the same law degree from the same institution as the Secretary of State for External Affairs.

Oral Questions

Some Hon. Members: Oh, oh!

REQUEST THAT IMPLEMENTING LEGISLATION BE WITHDRAWN

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Hon. Member does not understand that the Canadian Ambassador to Washington has said explicitly that the Government has profound concerns that the whole dispute settlement mechanism cannot be implemented.

The Government is running across the country saying that it is the key to solving the problem while the Americans are saying they are not even sure they can bring it forward and make it constitutional. Therefore, is it not proper and wise either to send Mr. Burney back to do more negotiation, withdraw the Bill in the meantime, and not ask Canadians and Canadian parliamentarians to sign a blank cheque or pass a law that cannot be implemented here because the Americans cannot fulfil their part of the bargain? It takes two to tango.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, we know what the Hon. Member's son Stephen thinks of his speeches by the picture in the *Ottawa Citizen* today. He expresses it very clearly on behalf of the Canadian people.

● (1430)

In the Hon. Member's preamble to his question I think there are two things that should be pointed out. The Ambassador said Canada "would" have concerns "if". Those are very, very big "ifs" and "would have concerns". Certainly we would have concerns about it if we could not implement it, but there has been very little discussion of that in the United States. We fully expect the Americans to put into legislation the spirit and the agreement we reached on the free trade agreement.

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PEACE

CANADIAN PEACE ALLIANCE CONFERENCE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is directed to the Minister of National Defence. The Minister will know that the Canadian Peace Alliance, a group that represents over 450 groups from Canada concerned with issues of peace and disarmament, is meeting in Ottawa this weekend. I understand the Minister agreed at the last minute this morning to meet with representatives of the group, but up until this morning the group was under the impression that no one they had requested to meet with them from the Government was going to meet with them.

Why this reluctance on the part of the Minister and on the part of the Government to consult with and meet with this very important Canadian organization?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, far from me being reluctant to meet with them, I