

- changes in rules of origin and controls on imports from third countries;
- agreement on plywood standards;
- expanding the current coverage of trade in services; and
- the liberalization of investment rules.

The Committee considers it essential that the Senate make provision for reviewing the regulations relating to the Agreement as well as for monitoring the way in which the Agreement is applied in the two countries and the progress made in further elaborating it. Specifically, the Committee recommends that particular attention be paid to:

- the effectiveness of adjustment assistance programs to help those who are displaced through the effects of the Free Trade Agreement, difficult though it may be to identify those affected;
- the working out of arrangements for monitoring the export of energy products to the United States, and in particular the role of the National Energy Board;
- developments relating to trade in agricultural products and especially to the impact of the Agreement on the supply management systems and on the competitiveness of Canada's food processors;
- how the temporary entry provisions for business persons and others are being applied; and
- the negotiations intended to develop a mutually acceptable code regarding countervail and anti-dumping duties, so as to assure itself that social programs and regional development policies are in no way put at risk.

In order to carry out this task, it will be helpful for the Government to submit annually to Parliament a report on the progress being made in the many negotiations that will be commencing soon, including the results of the Working Group charged with establishing a bilateral regime governing anti-dumping and countervail duties. An annual report is called for in the U.S. implementing legislation and the Canadian Government should do no less for Parliament and the Canadian public.

The U.S. Administration has also submitted to the Congress a report on Canadian compliance with

the Free Trade Agreement. While this report was deficient, in that it did not take account of the imminent passage of Bill C-2 and of the promulgation of the related regulations, it was helpful to the Congress in carrying out its responsibilities. The Canadian Parliament would benefit from the same kind of information and the Committee recommends that such a report be provided by the Canadian government early in the New Year.

The Committee recommends that it be authorized by the Senate to monitor and report on the implementation and application of the Free Trade Agreement in both countries and other related trade developments. The adoption of this Report by the Senate constitutes such an Order of Reference.

The complete list of witnesses heard on Bill C-2 is appended to this Report.

Respectfully submitted,

**JOHN B. STEWART**  
*Chairman*

#### APPENDIX

List of persons who appeared before the committee during the current study with the issue number and date of proceedings in which their evidence appeared.

##### Issue No. 1, December 27, 1988:

Mr. Alan Nymark, Acting Head and Assistant Chief Negotiator, Trade Negotiations Office

Mr. Konrad von Finckenstein, Q.C., Assistant Deputy Minister, Trade Law Department of Justice.

Mr. J. David Oulton, Director General, Oil & Emergency Planning, Energy Commodities Sector, Department of Energy, Mines and Resources.