

CANADA-U.S. FREE TRADE AGREEMENT

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, in the absence of the Minister for International Trade, I will direct my question to the Prime Minister.

The principal justification for the U.S.-Canada Free Trade Agreement was to secure access to the U.S. market, yet in a number of crucial sectors the United States government is impeding Canadian exports.

Both the chief Canadian negotiator and his deputy have now concluded that the United States, and I quote: "is getting dangerously close to systematic abuse of the letter and the spirit of the agreement".

What is the government doing to ensure that such protectionist abuse is eliminated?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member knows very well that thanks to the new free trade agreement context we have a dispute settlement mechanism under article 19.

Under article 19 when there is a dispute between the two countries, instead of the United States which is ten times the size of Canada always having the upper hand, we have one Canadian, one American and a neutral chairman. We have equality with the United States which allows us to resolve these disputes and gives us equality when we have a dispute with the United States.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the minister knows perfectly well that article 19, the dispute settlement mechanism, is not working. That is precisely what the deputy chief Canadian negotiator said this past weekend when he spoke of there being no question that the United States has bent the agreement and has broken it in places.

Mr. Axworthy (Winnipeg South Centre): We told you so.

Mr. MacLaren: What is the government doing about this? After all, Canada faces a tough trade dispute year with a protectionist minded U.S. Congress. Moreover, the Canadian government has pursued the very policies that are least likely to enable Canadians to benefit from the free trade agreement.

Oral Questions

Mr. Axworthy (Winnipeg South Centre): We told you it would not work and it is not working.

Mr. MacLaren: Can the government state today how its proposed North American free trade agreement will prevent the abuses that it has been unable to prevent in the U.S.-Canada Free Trade Agreement?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I know the hon. gentleman poses these questions with a lack of enthusiasm because he has always felt that liberalized trade was the way for Canada to go. As he poses these questions about the FTA I think he knows the answers.

I will put to him the record. I have the details here. We have had four panel decisions rendered during 1991 and three involved review of U.S. agency determination. There was also a decision issued by an extraordinary challenge committee which confirmed our position on pork exports to the United States. The United States as a result of this ceased collecting duties on Canadian pork exports and duties totalling approximately \$20 million were refunded to Canadian exporters. That is how the free trade agreement is working for this country.

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BOOK PUBLISHING

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, first the Americans dictated our film policy. Now we learn that representatives of the American book industry met with Canadian government officials last March to have Canadian ownership restriction rules on book publishing and distribution changed, while at the same time this government was telling Canadian publishers that it was staunchly committed to Canadian ownership while it was busy negotiating it away with American conglomerates. Can you tell us why the double-speak?

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, there has been no double-speak. The policy which I announced last week received acclaim from both the Canadian industry across the board and from affiliates operating in this country. The purpose of the policy is to ensure that we have Canadian ownership of book publishing in Canada and to ensure that Canadian book publishers are soundly financed.