

*Free Trade*

foreign ownership restrictions, but we have secured the market. I think that is a big plus in the over-all agreement.

Getting down to some of the other issues in the free trade agreement, of course we have the method of settling disputes. We have a method of which the world is extremely envious. We have an agreement to get a binational system for resolving trade disputes in a way which binds both parties. That is a major breakthrough. When the opposition Parties talk about the loss of sovereignty, it is odd that they never comment on the fact that by agreeing to a binational binding dispute settlement mechanism which replaces their own appeal process in the U.S. it is a tacit agreement by the U.S. to take a binational system in lieu of its own area of sovereignty. I believe that if we had this apparatus in place two years ago the softwood lumber case and some of the other cases, such as the potash one we currently have, would have been stopped in their tracks.

In future, when the law in either country has run its course, it will be Canadians as well as Americans who will decide on the final outcome of the case. Of course the key part of this dispute settlement element is that we will be creating in the interim a new body of law that will be binding on both parties. When people say to me "what is so important about that", I point out that if we have a market which is one large market and it replaces two markets, we need new laws. Let us think of it in terms of anti-dumping. The whole concept of anti-dumping is a concept of dumping into somebody else's market. If we have under free trade one market we need new laws, and both countries will be working to develop that in the future.

**Mr. Cassidy:** You said that we would have the new laws by now.

**Miss Carney:** The Opposition says that we were to have the new laws by now. We tried to do that, we tried to do that.

**Mr. Cassidy:** You failed and you still bought the deal.

**Miss Carney:** We tried very hard to do that, and we could not agree on a way of doing that in a way which met our objectives, so we—

**Mr. Cassidy:** So you threw away our bargaining power.

**Miss Carney:** —set ourselves the objective of giving us time to develop those new laws. In the meantime we have a way of settling disputes which is binding on both countries. It is an improvement over the situation we have now.

Turning again to what the free trade agreement is not, again it is not eroding our cultural sovereignty. I ask Hon. Members to examine the text of the free trade agreement and they will find an annex which says that cultural industries are particularly exempted from the agreement, from all provisions of the agreement. They are exempted from dispute settlement. The temporary business permit for immigration purposes will not apply to that industry. They will lose many of the benefits of

this agreement, but that is what the Prime Minister promised and that is what they asked for.

Social programs are not affected, nor is our capacity to put in place new ones such as child care. I think Hon. Members can see that in the child care program we have developed.

**Mr. Cassidy:** Tell us about regional development.

**Miss Carney:** The Hon. Member asks us to tell him about regional development. I would love to tell him about regional development.

**Mr. Cassidy:** Tell us about countervail against regional development.

**Miss Carney:** Nothing in the free trade agreement affects our ability now or in the future to achieve our regional development goals.

**Some Hon. Members:** Hear, hear!

**Miss Carney:** We can do today and tomorrow the same things we did yesterday. The difference in the future—

**Mr. Cassidy:** The Americans can do the same things to us as they did yesterday.

**Miss Carney:** —will be that the final resolution of such disputes will be by a—

• (1150)

**Mr. Speaker:** Naturally there is a temptation to intervene occasionally but this House has seen that before. I would point out to the Hon. Member that only a few moments ago the House very graciously granted to the spokesperson for the New Democratic Party a full 40 minute reply. In view of that courtesy, I hope Hon. Members will give the appropriate courtesy to the Minister by letting her continue her speech without interruption.

**Miss Carney:** Thank you, Mr. Speaker. I can accommodate the Hon. Member's impatience by telling him—

**Mr. Axworthy:** I rise on a point of order, Mr. Speaker.

**Mr. Speaker:** If I could interrupt the Hon. Minister for just a moment. The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) is rising on a point of order.

**Mr. Axworthy:** Mr. Speaker, I rise on a point of order just to clarify your remarks. It is our understanding that in the opening round of debates there would be unlimited time. You have now restricted that time to 40 minutes. Could you clarify that, please?

**Mr. Speaker:** I apologize to the Hon. Member for Winnipeg—Fort Garry. He is absolutely right. It is unlimited time.