

not well defined and the U.S. is seeking to broaden them in, for example, the softwood lumber dispute and natural resource pricing. We want better rules in both countries because the U.S. subsidizes its products as well. We want better rules on what we can and cannot do. We need adjustment programs for the retraining which the Opposition talked about. We need programs for women.

Of the most important things on our agenda for negotiation are dispute settlement mechanisms. We want to replace the existing ones. The ones we have in place currently operate within the GATT framework but they do not make sense in application and they are unilateral. We want impartial mechanisms. For example, if the U.S. alleges that our stumpage programs are subsidies, we want an impartial, bi-national tribunal to deal with the issue, not the U.S. Department of Commerce.

Also on the table is intellectual property. This involves two issues: ensuring adequate protection for those who create new products, services or ideas, and ensuring access to those new products, services or ideas. Let me give you an example. One reason why companies locate their R and D in the U.S. is that if they want U.S. patent protection and someone else is developing the same idea, in the case of a tie the company which did its R and D in the U.S. gets preferred status. We do not like that because companies will locate in the U.S. to ensure their patents get U.S. patent protection. That means that good jobs for highly-trained Canadians are in doubt. We want free trade in intellectual property. We want free trade in services. This is a new area not now covered by international rules. More and more of our economy is service-based. It is about 67 per cent of our GDP these days. We have a solid record of growth in services of about 3 per cent per year. GATT is addressing these problems and new rules for services. So are we in the Canada-U.S. bilateral negotiations. We have some of the finest service industries in the world in engineering, financial consulting, computer services and banking. We are world-class competitors and we want to ensure access to world trade and services.

Also on the table is investment. All countries around the world are loosening their investment policies. We did so when FIRA became Investment Canada. The result was a record \$6.8 billion worth of investment for 1986. So far we are dealing only with trade-related investment measures. The Americans want more. We are listening but we have not given the negotiators a general investment mandate.