

Government Orders

products and with its related obligations under the North American Free Trade Agreement”.

[*Translation*]

This translates more or less as follows: “The President, not later than six months after the date of entering into force of the WTO agreement with respect to the United States, shall submit a report to the Congress on the extent to which Canada is complying with its obligation under the Uruguay Round agreement with respect to dairy and poultry products and with its related obligations under the North American Free Trade Agreement”.

If the United States makes provision in its legislation for verifying Canada’s compliance with the Uruguay Round agreement, we can drop any reluctance we might have about including provisions in our own legislation provisions authorizing Parliament to report on how our principal trading partners, and mainly the United States, are complying with the Uruguay Round agreement.

The amendment in question also refers to the impact on workers and companies, and I would like to expand on this aspect. Paragraph (c) of the amendment proposed in motion No. 2 reads as follows: “the impact of the Agreement on Canadian workers and companies”.

The report to be submitted by the government should indicate the impact the Agreement has on Canadian workers and companies. This is important and reflects concerns raised by our colleagues in their amendments.

I may recall that this provision in the amendment is entirely in line with a promise in the Liberal Party’s red book that the government would assist individuals and firms in labour-intensive sectors of the Canadian economy, such as furniture manufacturing and textiles, to deal with restructuring. As you know, there is a significant concentration of these sectors in Quebec, and especially in Montreal.

With this amendment, the government has an opportunity to meet one of their commitments in the red book which was to consider the impact of the Uruguay Round agreement on individuals and firms, so that subsequently, it can assist individuals and firms to deal with restructuring.

• (1215)

Mr. Mac Harb (Parliamentary Secretary to Minister of International Trade, Lib.): Mr. Speaker, I will speak to Motions Nos. 1, 2, 6 and 7, starting with motion No. 1.

We believe the amendment suggested entails many problems and should be rejected. The first problem with subclause 3.1 is that we already have an efficient process for consultation between the federal and provincial governments regarding

external trade when the provinces’ interests are concerned. The provinces were very well served by these instruments in the implementation of international agreements or the resolution of disputes ensuing from this agreement.

As for subclause 3.2, by requiring the Governor in Council to ask the provinces’ consent before doing any of the things mentioned, it would change the current rules under the Constitution. It will give the provinces a veto in international matters.

As for subclause 3.3, Canada cannot subject the implementation of its international commitments to the behaviour of its trading partners. If it considers that they are not respecting their obligations, Canada can then resort to the dispute resolution mechanism, which is usually successful. Canada cannot simply decide not to respect its obligations. It is still in Canada’s interest to obey the rule of law, not to go against it.

[*English*]

Paragraph 3.4, the proposal would be contrary to what was negotiated in the agreement, specifically paragraph 4.2 of the agriculture agreement. A central part of the agriculture agreement is the elimination of measures such as variable levies. The effect of this amendment would be to introduce such measures. The government appreciates the interest on the issue of supplementary import of an agriculture product in cases of shortage in the domestic market. However, these matters are currently the subject of consultation with all domestic stakeholders.

We also recommend rejection of Motion No. 2. Committees of the House are always free to request reports from ministers, imposing the statutory obligation. At this point to produce a report would I presume tie Parliament’s hands in the future. I suggest it would be a lot more prudent to request such a report as the need arises. Preparation of such a report, I have no doubt in my mind and in the minds of my colleagues, will cost a significant amount of resources both financially and otherwise.

Concerning paragraph (b), this refers to all trade obligations and commitments of Canada’s principal trading partners and therefore goes beyond the scope of the bill before the House. Concerning paragraph (c), the impact of the agreement on Canadian workers and companies as a matter of economic analysis, there are methodological problems with isolating the effect of the agreement from other elements affecting Canadian companies and workers.

• (1220)

Concerning Motion No. 6, we recommend the rejection of this motion for the following reasons.

The consultation requirement contained in paragraph 2.1 would be very onerous and unworkable. The World Trade General Council will meet frequently and take numerous decisions that directly or indirectly affect Canadian interests, rights and obligations. The requirement for the minister to consult