

The Americans could tell us, for example, that the pork and the hog carcasses we sell them must no longer contain growth hormones.

That was a way of stopping our pork exports to the United States. The Americans were then taking all kinds of measures to reduce our exports, thus jeopardizing our industry.

It must therefore be stressed that the Free Trade Agreement aims at stopping the Americans from taking protectionist measures which were reducing or would have reduced Canadian exports to the United States.

The other advantage of the Free Trade Agreement is of lesser consequence because 80 per cent of the 95 billion dollars worth of Canadian exports to the United States is presently free of tariffs. There are tariffs on 20 per cent of our exports.

The Agreement therefore provides for the phasing-out of all these tariffs over a 10-year period. For about a third of these products, the tariff will drop to zero starting on January 1 1988. For another third of these products, those of industries which need a little more time to adapt to the competitive situation created by free trade, the tariffs will be phased out over a five-year period and, in all other cases, they will be phased out over a 10-year period. The second advantage of free trade is therefore elimination of tariffs.

The first advantage of the Free Trade Agreement, I repeat, is the protection it affords us against American protectionist measures. The second advantage is the phasing-out of tariffs on approximately 20 billion dollars of our exports to the United States.

Another major benefit will be the dispute settlement panel. That is one of the most important elements of the Agreement. What will this dispute settlement panel mean? Let us take the situation which existed for our lumber exports to the United States in 1986, where the Americans claimed that we, as Canadians, were unfairly subsidizing lumber producers through stumpage fees which were insufficiently high, where the Americans claimed that we were subsidizing them. So they said: "You are subsidizing them; that is why we are going to impose a tax on your imports". They called them compensatory duties against our lumber exports or other items. "From now on, we are going to charge a 35 per cent duty on your exports. We are doing that because we feel that you are involved in unfair competition. You are subsidizing these corporations". In the case of softwood lumber, it was a 35 per cent duty.

Canada-U.S. Free Trade Agreement

What could Canadians do when Americans decided to impose such a duty? The remedy which was available to Canadians was to appeal to the United States Trade Tribunal. It meant that a Canadian firm with its head office in Toronto, Montreal, Québec City or Lévis, had to call in its lawyers and tell them to go to the American Trade Tribunal to defend its position and demonstrate to the judges that the American Government was wrong to impose an "x" per cent duty on its products. So its lawyers had to go to the United States to appear before an American tribunal and defend its position on the basis of American legislation. The burden of proof was enormous, the more so because the judges on this American trade tribunal were themselves American.

Whenever the courts are called upon to rule, it is because something is questionable and unclear. There is a gray area. So whenever they appeared before the tribunal, each party had to make representations, but the ruling belonged to the American judges who, even when they wanted to be absolutely fair and objective, used to rule more often than not against our Canadian firms.

What is the nature of the change? Now, Canadians no longer have to deal with the American Trade Tribunal when a dispute occurs. There is a new dispute settlement panel which is now made up of five individuals, including two Canadians, two Americans, and a fifth individual accepted by both parties. That is the main difference. Essentially, the other procedures remain the same, but those who disagree with an American decision aimed at blocking our exports would no longer be required to appeal to an American tribunal, but to a binational panel made up of two Canadians, two Americans and a fifth individual acceptable to both. Which means that the ruling would not be at the mercy of five American judges. Under these conditions, the fact you are American or Canadian will be less significant, and that really is the big difference in the dispute settlement body: This binational panel will be there to ensure a better interpretation of the applicable legislation, both in the case of Canadian exports to the United States and American exports to Canada.

In short, the Free Trade Agreement will reduce American protectionism, eliminates the remaining duties and taxes, and ensure a much more secure access to the American market. During the election campaign, representatives of the Opposition parties did not provide this information to the Canadian public. They went from door to door, visited Golden Agers' clubs, one after the other, wherever they could find people who might be