

There were about 30 people there that all tried to export to Mexico. Here were their complaints.

First, Mexican tariffs were above 20 per cent. We cannot export with tariffs at that level. Second, if there were no tariffs, there were quotas. In other words, one can only export a certain amount. There was a quota stopping them. We wanted to get into services with our engineers and consultants and so on. No, one had to have Mexican professional accreditation or one could not sell into Mexico.

We took a look at the rules of origin. In other words, we tried to find out where goods are made so we could add tariff classifications to them. The rules of origin were murky and very hard to read. Customs administration was a disaster. They could charge all sorts of fees for handling goods as they went into Mexico. We had almost outright prohibitions against a number of our exports or quotas: telecommunications, grain, fish, metals and machinery. We had little or no opportunity to get any government procurement orders from the Mexican government.

That was the situation three years ago. It was a thicket of problems. There were so many problems that the embassy told me then that they had little more than 200 Canadian business visits in 1989 even to look at the Mexican market because it was so darned difficult to get into that market.

These were the problems for us to get into Mexico, but what were we doing for the Mexicans three years ago? They had virtually open sesame to the Canadian market. In the middle seventies the Trudeau government agreed to pretty well get rid of all tariffs against developing countries, including Mexico. It gave Mexico most-favoured nation status. We have lowered all our barriers. We took all the snow out of the driveway so they could drive their trucks right into the Canadian market three years ago. Now, 80 per cent of our trade with Mexico has no tariffs at all. They can export into this country with no prohibitions at all. We have no quotas. The 10 to 12 per cent of products coming into Canada from Mexico that do run into tariffs are at very low rates.

What is the NAFTA then? The NAFTA is the best possible arrangement for Canada because finally we are going to get the kind of access to Mexico it has had for years to Canada. Frankly, it is almost a one-way negoti-

Supply

ation. We are getting rid of their barriers which are many. We already got rid of ours decades ago. So why would one not negotiate access to Mexico when one has already given them total access to one's own market?

I have never been able to understand why the newspapers are even interested in this NAFTA thing. It is such a one-way deal for Canada. It is a winner and it improves the free trade agreement. There were a few wrinkles in the free trade agreement that we wanted to improve and it improves them as well.

When we look at the NAFTA and when we look at the FTA it is a one-way victory for Canada. There is no doubt about it. It also keeps in place something else which I have always thought historically has been very important for Canada. Canada is one-tenth the size of the United States in terms of economy and population.

• (1705)

Whenever we had a dispute with the United States in the past we would have to spend millions of dollars with a whole bunch of Washington lawyers to see if we could even get a hearing. Usually it just wore us out. It would take years and years to get anywhere and millions of dollars in legal fees and we usually lost.

What does the free trade agreement do about all that? It puts an adjudication panel in place: one Canadian, one American and a neutral chairman. Within 315 days they have to make up their minds. They have to decide who is right and who is wrong. Not only that, but we have been winning. We have won the last four or five. The last time I saw a score-card we had 11 victories and 9 defeats.

Why is this important? As I have told the House before, I will never forget a meeting I had a couple of years ago with the Japanese minister of trade. He said: "Can you explain this free trade agreement you have with the United States and this dispute mechanism that you have? How does it work?" I explained it to him just like I have just explained it to the House.

He said: "Just a minute. Canada is one-tenth the size of the United States and you're saying that when you have a dispute with it, it has given you equality". I said: "Yes". He said: "Good Lord, why does it do that when it is 10 times bigger?" I said: "That is what we negotiated". He said: "Boy, that's a pretty good deal. I would like to get that for Japan with the United States".