

Canada-U.S. Free Trade Agreement

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I want to address the three motions which are presently before the House which would attempt to show Canadians exactly what this so-called free trade deal is all about. As you know, Mr. Speaker, Motion No. 5 would strike out the stated purpose in the Bill, which is in Clause 3. It would strike out that clause because it is patently misleading. It states that the objectives of the agreement are to eliminate barriers to trade in goods and services between Canada and the United States.

Anybody who makes a close reading of the agreement will see that it does not do that. To begin with you should know, Mr. Speaker, that at the present time without this agreement 80 per cent of all goods and services between Canada and the United States are without tariff. That situation has been brought about as a result of liberal policies for freer trade in the multilateral arena under GATT and under other arrangements since the end of the Second World War. By pursuing those types of policies, we have been able to bring Canada to a situation in which 80 per cent of all trade in goods and services between Canada and the United States is without tariff.

In addition, through those types of policies, the remaining tariff on the balance of 20 per cent is about 5 per cent whereas it was in the range of 30 per cent to 40 per cent when the multilateral process started in the 1940s.

Clause 3 of the Bill states that the purpose of the agreement is to eliminate barriers to trade in goods and services between Canada and the United States. Some 80 per cent of that had been accomplished already with respect to tariffs. With respect to the rate of tariff, that had declined substantially as well. Why this clause is misleading is because it gives the impression that the agreement assures access for Canadian businesses to the U.S. market. That is not the case.

The principal barriers to trade between the United States and Canada are countervail and anti-dumping. These are the procedures used by Americans against our softwood lumber, or east coast fish, our potash, our steel and our shakes and shingles, cases with which all Canadians are familiar. This agreement between the United States and Canada does not deal with those barriers at all. That is despite the fact that when the Conservative Government started its negotiations with the United States its principal goal was to get an agreement on countervail and anti-dumping. It was not able to do that. The only accomplishment that it had as a result of these negotiations as enshrined in this agreement was to eliminate the small tariffs which are left on 20 per cent of the goods and services which are still subject to any kind of tariff with the United States.

It achieved that, but in return it sold out Canadian independence and sovereignty with respect to energy, investment policy, financial institutions, services, agriculture, regional development policy and a large number of other things. This is the price that the Conservative Government paid to eliminate the tariffs on 20 per cent of goods and services between

Canada and the United States but with nothing done whatsoever with respect to anti-dumping and countervail.

• (2100)

We would argue as Liberals that we have an alternative. The alternative is to pursue freer trade through the same processes that we have been pursuing since the Second World War. Anyone who is honest and examines the record of that period will see that we had prosperous times during that period. Trade increased between Canada and the United States without sacrificing our independence, sovereignty, and identity. When it states in this Bill that "the purpose of this Act is to . . . eliminate barriers to trade in goods and services between Canada and the United States", that is not true. The agreement does not eliminate barriers to trade in goods and services: to wit it accepts the barriers that I have just mentioned, barriers that are a result of anti-dumping and countervail, the biggest type of harassment that presently exists for Canadian businesses attempting to carry on commerce in the United States. We have moved to eliminate that article because it is misleading and it gives a false impression of what the so-called free trade agreement is attempting to accomplish.

Clause 3 of the Bill also states:

(c) liberalize significantly conditions for investment within that free-trade area;

The agreement eliminates all possibility of Canada screening investments from the United States and screening takers of Canadian cultural, manufacturing, and service industries. As a result of the agreement between Canada and the United States Americans will be free to come in and buy out any industry that pleases them. American businesses will be given national status in Canada. That means that they will be treated just like Canadian businesses.

Here we are a country of 25 million people concluding a bilateral trade agreement with the United States, a country of 250 million people, a country ten times larger than Canada, the most powerful economic nation in the world, and one of the most powerful industrialized nations in the world. We are putting ourselves into a bilateral trade agreement and giving national status to American businesses in Canada. That means that they should be treated in Canada just like a Canadian business.

It means that we cannot give any advantage to Canadian business, we cannot have a "buy Canada" policy, we cannot favour small Canadian businesses, and for all intents and purposes it means our programs of regional development are through because under those programs we try to assist and encourage small Canadian businesses in those parts of the country that were slow-growth regions, for example, Atlantic Canada, parts of the North, the north and east of Quebec, and so on. This agreement will prevent us from favouring those Canadian businesses at the expense of American businesses. We say that that should be eliminated and that it is not a proper purpose for a trade agreement between Canada and the