

Canada-U.S. Free Trade Agreement

Our colleagues in the United States are waking up to the fact that they are polluting their own nests. Something will certainly be done. I will admit that President Reagan was not the great environmentalist in the United States, and God bless him when he goes to his retirement, but President elect George Bush has stated loud and clear that he will bring legislation to cut down on SO₂ emissions in the United States. There will be controls.

We are fortunate that the majority House Leader in the Senate, Senator George Mitchell, is also greatly in favour of acid rain controls and the reduction of SO₂ emissions. I predict that within the next year and a half the United States will bring in meaningful legislation that will cut down on acid rain, which of course will benefit Canada. The House can rest assured that with our new Free Trade Agreement there will be no more pollution than there would be without it.

Mr. Rompkey: Madam Chairman, in a sense this is a maiden speech for me. On the one hand I feel somewhat like the Hon. Member for Parry Sound in the sense that I am starting my sixth term, but in a sense it is a maiden speech for me.

For the first time Labrador has a federal seat of its own and it is my honour to be the first Member to be elected for Labrador. That gives me a great deal of pleasure.

I do not have to explain to Members of the House where Labrador is or what Labrador is all about. It is a northern territory, not as big as Nunatsiak, but about 112,000 square miles. It extends all the way from the small fishing communities on the coast to the great air base at Goose Bay with its NATO components, to one of the greatest hydroelectric developments in the world at Churchill Falls. In the west the iron mining communities of Labrador City and Wabush City on the Quebec border produce between them about 50 per cent of all the iron ore in Canada. That makes up the totality of Labrador.

It is a very diverse area, with a great deal of promise and possibility, and very many problems. It is an area that spoke out very loud and clear in the last election about this agreement that we are debating today.

I want to put those concerns on the record and advise the Government of how the people of Labrador feel. Their concerns were put in a nutshell by Simon Reisman when he said that we should have got the definition of subsidy but we did not. We ran out of time. We do not

have a definition of a subsidy in the Free Trade Agreement.

• (1700)

What is a subsidy? Which programs of the Government of Canada will be targeted by the United States? We know already, for example, that the unemployment insurance program has been challenged. That challenge is dormant, but it is not dead. What about northern benefits?

I have to give the Minister of Finance credit, now that he is in the Chamber, for implementing a very generous program of northern benefits for travel and housing for the people who live north of 60 and other selected sites in northern Canada. These benefits are very important to the people of the North. When the Free Trade Agreement comes in, these people will want to know if northern benefits will be targeted as a subsidy or not.

Let us take the case, for example, of an iron ore company in Canada which gets the northern benefit tax break. If the workers who work for a Canadian iron ore company have special benefits but there are no similar benefits for workers who work for an iron ore company in the United States, what will happen because of that inequality? Will the United States then say that that is an unfair subsidy to an iron ore operation in Canada and we must stop doing that because we are supposed to be competing on a level playing field?

As Ralph Nader said, I doubt that we will see an uplifting of support services in the United States. What will happen on the level playing field? Will there be a diminution of the support services we have had in Canada? That is the question, and we do not know the answer. That is the concern of the people.

As well, the people are concerned about the possibility of the loss of control over resources that are very important to them, resources like energy, for example. In central Labrador, there is now one of the greatest hydroelectric projects in the world going on at Churchill Falls. It delivers energy to a large portion of not only the Province of Quebec but of New York State. There are other hydro sites on that river as well. There are perhaps over 2,000 megawatts of hydroelectricity left on that river. What will happen under the Free Trade Agreement? The concern is that we will not be able to have a made-in-Canada price.

As I understand it, the agreement says that we must sell energy to the Americans at the same price as we sell it to Canadians. We do not receive a lot of national