

achieve in the great majority of our plants. There are a few notable exceptions, such as Massey-Ferguson, International Nickel, Domtar and a few other Canadian giants. However, it should be borne in mind that 75 per cent of manufacturing plants in Canada employ fewer than 100 people.

With these economies of scale available to them, and with wages in the United States generally lower than those now paid in Canada for similar work, American goods are, in most cases, priced considerably lower than their equivalents in Canada today. That is one of the things which is immediately apparent to Canadian visitors to the United States. It is what keeps their cost of living quite a bit lower than ours.

If tariffs on American goods entering Canada ceased to exist, American plants would simply increase their production by one tenth, thereby further increasing their economies of scale and enabling them to further lower their prices. This would make it possible for them to sell their goods at prices considerably lower than those available in Canada today.

Those who are in favour of free trade with the United States, our producers of primary products and our importers of finished goods made in the United States, argue that such a move would open up a far larger market for our goods and hence would greatly increase the sale of our products in that market. They confuse availability of an additional market with automatic success in that market.

Those who have competed with American producers, both in the United States and in the export market, know very well that they fight tooth and nail to retain any market which they now have and any additional market which they think they have a chance of acquiring. Their answer to any new challenge is to lower prices and increase service, and that is exactly the procedure they would follow in meeting any new attempts by Canadians to make serious inroads into the United States market with products which are also produced in the U.S.A.

A great deal of production in Canada is carried on in American branch plants which have brought with them technology not available in this country. The principal reason these plants have been established here is the Canadian tariff and the trading advantages made available by the British preference. If the tariff disappeared, there would be far less reason for operating branch plants in this country, and their Canadian production would simply be added to that of the United States parent and shipped across the border to the Canadian market.

So I think you will agree, Mr. Speaker, that the idea of free trade with the United States is not an economically viable one for this country for the reasons I have mentioned. It would be a very serious blow to the manufacturing industry in this country, which is of such great importance to our employment, our prosperity, and our standard of living.

In addition to the economic side of the issue, there is also the very important political side. History shows us that the establishment of a free trade zone is usually the first step in moving toward full economic integration. A recent example is

### *Customs Tariff*

the European Economic Community, which started with limited free trade and has now elected a European parliament. There is no reason for believing that free trade with the United States would not move us in the same direction.

So it appears to me that an examination of the facts as they are today gives a clear indication that a move toward free trade with the United States would not be a good thing for this country, either from the economic or the political point of view. I believe that from both points of view it would be a disaster.

[*Translation*]

**Mr. Robert Gourd (Argenteuil):** Mr. Speaker, there is no denying that I too agree with this bill which was introduced by my government when it was in power. I am pleased to see that the minister is here. I should like to open a new bracket concerning this Customs Tariff Act. In the riding I represent, that of Argenteuil, we find the largest airport in North America, that of Mirabel. On rereading this bill, I decided to speak to this House of a problem that exists at Mirabel but that could easily be solved. It would be very easy to do if the minister decided to make of Mirabel a free port where primary products would be taken, processed then exported to the United States where we would have a market of over \$200 million. It is most important to realize that such a project would be a first in North America; this type of thing does exist only in a few countries where what is commonly known as "duty-free zones" have been developed—

[*English*]

—where the manufacturing and assembly processes could be created in order to expand our market to our neighbours, the United States. We have in this country, especially in the riding of Argenteuil, the necessary manpower and technology. The only thing we would need is the facility through an amendment to the customs law.

[*Translation*]

It would be a cinch considering there already is on the Mirabel property the infrastructure of an industrial park, access to the specialized work force of the neighbouring automobile industry in the riding of my colleague from Blainville-Deux-Montagnes; and then I see the list of material to which these amendments will apply: typewriters, phonographs, record players, cameras. In short, all that is being amended by this bill could easily be assembled within a duty-free zone; and when I say that, Mr. Speaker, I merely mean an area in which primary goods could be imported duty free, assembled there and then exported to another country.

Argenteuil has numerous advantages and, of course, our friends the Tories have always called Mirabel "a white elephant" but nevertheless, Mr. Speaker, it exists. It is there and it will not disappear. We might as well stop politicking and make out of it something that will benefit all the population of my constituency. Close to Mirabel, you have the city of Lachute where many businesses had to close down for various