

*Free Trade*

for timber supplies". That is how accurate they are when they state that hundreds of thousands of jobs will be lost with the free trade agreement. That is wrong.

Then the Hon. Member for Essex—Windsor (Mr. Langdon), like other NDP Members, states that the free trade agreement will somehow stop or limit our policy to set our own economic path in the future. Many of the NDP Members maintain that this will affect our sovereignty. I want to point out that this is wrong. I think that it is worth quoting Keith Spicer, a *Citizen* editor, who today came out in favor of this agreement. *The Ottawa Citizen* has been very cautious, waiting until the final text came out. Its editors actually read the agreement which is more than perhaps many of the opposition Members have done. *The Ottawa Citizen* points out that the people who talk about sovereignty probably have not read the deal and most never will. In the article Mr. Spicer states:

There lurks in the minds of many of these professional patriots (apart from some specific partisan biases) a veritable Disneyland of neuroses about Canada: fear over hope; protectionism over risk-taking; a preference for the small, safe homeland over the scary grand stage of North America; pessimism over optimism; a love of hiding over seeking; a taste for tribe over individual.

*The Ottawa Citizen* editor concludes by stating:

Isn't it time to stop being afraid? Isn't it time to grow up?

I think that puts it very clearly with respect to the sovereignty issue.

**Some Hon. Members:** Hear, hear!

**Miss Carney:** It is time for Canada to grow up and join in a free trade agreement which will help to secure the future for ourselves and for our children.

Having spent some time talking about what the free trade agreement is not, which I will return to in the future, I would now like to talk about what it is.

It is a trade agreement in the language of trade agreements. It is actually the largest trade agreement ever negotiated between two countries. We have the largest bilateral trading relationship in the world, something in the order of \$200 billion a year.

Second, it is a trade agreement negotiated under the GATT, the General Agreement on Tariffs and Trade. The Opposition is often in favour of the GATT, speaks highly of it, and wants us to continue our multilateral negotiations in the GATT. May I point out what I have stated earlier, that in the very beginning of the free trade agreement, Part One, Chapter One, Article 101: Establishment of the Free Trade Area, it states:

The Government of Canada and the Government of the United States of America, consistent with Article XXIV of the *General Agreement on Tariffs and Trade*, hereby establish a free trade area.

Therefore, it is consistent with the international global system. I can certainly tell the House that once it is signed, it will be studied by the GATT to ensure that it is consistent with GATT rules. It is a trade agreement that we are talking about.

What does this trade agreement state? Again, it is dealing with tariffs. We are dealing with the complete elimination in 10 years of all tariffs between the two countries.

For the record, we should note our gratitude and our thanks to all the members of our SAGITs, our advisory groups, the 300 people who helped us over the two year period to define what tariffs should be lowered in what time period. All the industries involved are very much a part of the evolving of the free trade agreement. They helped us decide which tariffs go in year one, which tariffs go in year five, and which tariffs go in year 10. It is a balanced arrangement.

It means that on January 1, 1999 the remaining tariff barriers on trade between the two countries will be phased out. Some tariffs will go in stages of one-tenth, others will go in stages of 20 per cent a year, but at the end of the period there will be no tariffs between the two countries. Some people say that if we already have no tariffs on approximately 75 per cent of our trade, why is it so important to remove the remaining ones? It is those remaining tariffs that keep us in the category of drawers of water and hewers of wood which the Opposition likes to paint as an alternative to free trade. It is those tariffs which keep us out of some of the most lucrative markets in North America.

For example, the one that is very close to home for western Canadians is the tariff on petrochemicals. The tariff on feedstock is only approximately 1.5 per cent to 2 per cent going to the United States, but the tariff on petrochemicals going to the United States is approximately 15 to 18 per cent. When that tariff is lowered—and if my memory serves me correctly I believe those tariffs go in five years, 20 per cent, 20 per cent, and out—that whole industry will have access to the richest market in the world. That will be very good news for Sarnia, it will be very good news for Alberta and other producers. The elimination of those last tariff barriers open up lucrative markets and good opportunities for Canadians. It gives us better terms than those available to our major competitors in the United States. Of course, the manner in which we have phased tariffs out helps to give maximum protection to our most sensitive industries.

I also wish to point out what the free trade agreement is. It confirms and will carry out the concept of national treatment. National treatment is at the heart and soul of trade negotiations around the world. National treatment simply means that you do not discriminate against other people's goods.

In looking at the free trade agreement, this chapter incorporates the fundamental national treatment obligation of the GATT into the free trade agreement. It means that once goods have been imported into either country they will not be the object of discrimination. We find that every time we go shopping. When a Canadian goes shopping there is not a different set of rules for a Volvo and a car made in the riding of the Hon. Member for Brampton—Georgetown (Mr. McDermid). If a Canadian buys a camera, there is no different treatment in the store between one made in Canada