

*Free Trade*

European country? The Common Market is supposed to be the magic answer for us, yet we were able to outperform it.

We are told about the great benefits of economic union with the United States. We have a \$20 billion surplus in trade with the Americans while they have a \$180 billion deficit. The economic facts simply do not exist.

However, we did learned in our committee hearings where there will be job losses. Witnesses appearing on behalf of data processing organizations, representing small high tech firms in Canada, said that we have already lost 100,000 jobs and will lose some 200,000 more because the present rules requiring data processing to be done in Canada will be wiped out. As one individual said, "It will not hurt me as a businessman. I will just go to St. Louis or Minneapolis". But the workers will be left behind unemployed.

• (1220)

What about the food processors? I was surprised that the Minister for International Trade ignored the largest industry in Canada. It employs more people than any other industry, close to 300,000. That industry appeared before the committee and said that the Government had a problem with the agreement. If it takes the tariffs down to zero on packaged processed frozen products, the Americans will have somewhat lower input goods because they can get their chickens out of Georgia and their vegetables out of California and they will undercut us totally, which will mean we will have to shut down, close up, go out of business, unless we get rid of supply management. Government was told it had a choice, either to get rid of supply management or destroy that industry.

It would seem to me that that is a fundamental dilemma a Government might want to face considering that the whole food industry is the largest employer in Canada. But has the Government faced it? No. Was there anything in the final text of the agreement to resolve that problem? No, because we cannot resolve it. What the Government has refused to recognize is that in order to maintain a stable, self-sufficient food industry, we must maintain certain rules. We must retain certain tariffs at times. We must retain a certain way of ensuring that the products of our farmers will be bought and their prices will be stable and the manufacturing processing plants will be doing the work for us.

We have now opened that up to double jeopardy. Here we have in a final agreement about to be signed on January 2 a great gaping hole, an unanswered question, with no answers being provided by the Government, and this will affect a fundamental industry of this country, the food industry. One would expect the Government to at least make some gesture to respond, but it has totally ignored that problem. It will not even talk about the problem. It says it does not exist. The Government is in that kind of fantasyland that if one does not think about something, it will not be there. The Government thinks it can wish it all away. It takes its political lessons from

the fantasyland Premier of British Columbia. It is a catching disease.

The fact is that the economic benefits the Government promised simply and completely cannot be demonstrated. What can be shown is that there will be severe and substantial disruption to many vital industries in this country. All the members of the committee said that at least the Government should talk about a massive adjustment program. That was a recommendation of the Macdonald Commission. Its report is the Bible the Government keeps pulling out as the instrument and basis for the free trade agreement. Yet the Macdonald Commission clearly said there would have to be a massive multibillion dollar expenditure on adjustment to make it work. The Macdonald Commission said it should be written into the agreement. Is it in the agreement? I did not see a word about it because the Government has no intention of doing it.

I do not know who to believe, the Minister of Finance, the Minister of Employment and Immigration (Mr. Bouchard) or the Prime Minister. They all say different things. The Minister of Finance controls the purse and he says, no, we will take care of it under our existing programs. That is fine except that the existing programs are being cut back. The Department of Employment and Immigration cut back several hundred million dollars over the last two or three years. There is not even enough money to take care of the present issues but the Government will solve all the new problems with a receding Budget. That is again an example of Tory arithmetic.

Let us go to the other huge benefit the Government talked about. What was it that the Prime Minister said in that speech in New York, the get tough speech to the American business community? He said that the whole reason for negotiating this agreement is to get an exemption from U.S. trade law, to stop the harassment, to ensure that Canadians will have a special elimination of those problems. The Macdonald Commission, the Bible, said the same thing, that the fundamental issue is that U.S. trade law is unfair and we have to do something about it.

So now we come to the centre point of the agreement, the binding binational dispute settlement mechanism that—and, of course, the Prime Minister did not say this in his remarks—is simply an appeal procedure. The entire continuation of U.S. trade law is in force and U.S. industry will still have the right to initiate actions, to go to the trade commission, to go to the Department of Commerce, to get the rulings. Canadian industry will still be forced to hire expensive Washington lawyers. They will still have to go through the process of fighting those claims. There will still be all the harassment that was there before. The only thing that was changed in the initial agreement is that we were told the International Court of Trade in New York would be replaced with a binational panel. In other words, we would be able to appeal based upon that law.

When I asked the deputy negotiator, Mr. Ritchie, why was it changed; was the International Court of Trade biased, was it