

*Canada-U.S. Free Trade Agreement*

**The Chairman:** I declare the motion carried. The Hon. Member for Fraser Valley East, on debate.

**Mr. Belsher:** Mr. Chairman, at the outset I should like to compliment you on accepting the position of Chairman of the Committee of the Whole. As well, I congratulate you on your re-election. I should also like to extend a special welcome to all new Members of the House. I wish them well and look forward to working with them.

I should also like to say a special thank you to the people of Fraser Valley East for again honouring me with their support and sending me back to Ottawa to be their representative in this the Thirty-fourth Parliament.

We are on Clause 2 of Bill C-2, an Act to implement the Free Trade Agreement. The agreement itself is about the phasing out of tariffs. The position of the Opposition is: Given that 80 per cent of the trade between Canada and the U.S. is free of tariffs, and given that we are getting along fine under that regime, why bother with the other 20 per cent?

**An Hon. Member:** Hear, hear! A good question.

**Mr. Belsher:** The fact is, the 80 per cent of the trade that is without tariff is trade in raw materials. It is the value-added exports that attract tariffs, and it is those tariffs that we are endeavouring to phase out over the next 10 years.

To give Hon. Members an example, a pair of shoes produced in Canada would attract a 48 per cent tariff if sold in the U.S. Yet, raw materials flow back and forth across the Canada-U.S. border without tariff. The Opposition Parties have played to the fears of Canadians. They say that because something is not in the agreement, it is at risk. That is just not true.

The Free Trade Agreement is a trade agreement only. It is a way of ensuring continued access to the largest market in the world, the U.S. market. Bill C-2 merely implements the agreement consummated by the Prime Minister and the President over one year ago, an agreement which will ensure continued access to each other's markets without fear of tariff barriers, without fear of protectionism.

In the Fraser Valley, the independent shake and shingle producers know first-hand the detrimental effects of protectionist measures. In a recent letter to the Prime Minister, the Fraser Valley Independent Shake and Shingle Producers Association stated:

We urge you to pass the Free Trade Agreement as soon as practical so that others, when faced with similar actions from the U.S., will have a definitive course of action available to them that will lead to a more timely and objective solution.

Further, they went on to state:

We strongly agree with your opinion that had the Free Trade Agreement been in place in 1986, this specific section 201 action by the U.S. against us would not have been implemented.

This from an industry which has suffered without a free trade agreement.

I have heard opponents compare the Free Trade Agreement to being as dangerous as laying down beside an elephant. To those people, I say: Please wake up to reality. We are already laying down beside an elephant. The Free Trade Agreement is to protect us should that elephant decide to roll over.

As I stated during the election campaign, the Free Trade Agreement is good for the people of my riding of Fraser Valley East, and for the people of Canada. It does not threaten our social programs. It does not give our resources to the Americans; it does not give our water to the Americans; and it does not threaten our agricultural supply management systems.

We cannot say it more clearly than that, and still the Opposition Parties try to scare Canadians into believing their wild accusations.

I am glad to see that Canadians cannot be hood-winked. They have clearly stated, as the results of the election of November 21 indicate, that they are not afraid of progress.

I see the Free Trade Agreement as ensuring that the American market-place remains open and accessible to Canadians, providing opportunities for continued economic growth and ensuring the continuation of the prosperity we have begun to build in the past four years of Progressive Conservative government.

Let me take a moment to review the history of free trade. The idea of some sort of free trade agreement with our neighbour has been around since Confederation, and even before. Sir John A. Macdonald sought reciprocity and turned to his national policy only when the U.S. rejected the idea of reciprocity.

Sir Wilfrid Laurier, the seventh Prime Minister of Canada, and a Liberal, wanted unrestricted reciprocity with the U.S.

In the 1930s, both Canada and the U.S. entered into a Most Favoured Nation agreement to help stimulate one