

*Canada-U.S. Free Trade Agreement*

United States pass without tariff. The most serious trade barrier or harassment between Canada and the United States is countervail and anti-dumping. This agreement does nothing about those two things.

As Canadians, we are all familiar with the shakes and shingles cases, the softwood lumber case, the East Coast fish case, the potash case, and the steel case. Those cases are all cases where the United States added a countervailing duty to the Canadian product going into the United States and thereby raised a barrier, in a sense, against our goods going into the United States. Since 1979 there have been 300 countervail cases launched against Canadian business in the United States and in 70 per cent of those 300 cases, there was a decision to impose countervail duties against the Canadian firms. That is a serious trade barrier to the United States, and this agreement does nothing about that. In that respect, it falls short of a classical free trade agreement.

On the other hand, the agreement goes much beyond what a trade agreement usually contains. A classical free trade agreement eliminates the barriers to trade between one country and the other country. It eliminates the tariff and non-tariff barriers, or lowers the tariff and non-tariff barriers, from one country to the other country so one can sell one's goods in the other country without these barriers. But this agreement includes, for example, the non-discriminatory access of Americans to Canadian energy. What does that have to do with the trade agreement? What does that have to do with trade barriers? It has nothing to do with them. We are eliminating the tariff against American energy coming into Canada and they are doing the same for us.

Why are we giving them non-discriminatory access to our energy supplies? It is obvious that the United States is running out of energy. It is running out of coal, gas and oil. It does not have the same hydro power we have. They are looking 50 years, 60 years, 100 years down the road. They see what Canada has and they want access to our resources. So the Americans said to this Conservative Government—which went on its knees to the United States begging for this agreement when we really did not need it—we will eliminate the tariffs on the balance of the 20 per cent of goods that still have a tariff. We will do nothing about countervail and anti-dumping, but to do that we want access to your energy. And they got it. Not only did the Americans get that, but I would like to talk about some other things in this agreement that do not belong in a free trade agreement.

I already mentioned energy. There is also the national treatment of American firms in Canada. Of course, it is *vice versa* in the United States, but there are 250 million of them and only 25 million of us. This means we have to treat American firms in Canada in exactly the same way we treat Canadian firms. I submit that this sort of thing does not belong in an agreement like this.

In addition, we have eliminated the screening of all foreign investment in this country by Americans. They can come in

and buy out our companies, they can invest where they like and can take over Canadian companies, whether or not these companies are essential for our sovereignty and independence, and they can completely own the country as far as this agreement is concerned. That is in the agreement. We have agreed to eliminate the screening of investment takeovers.

I mentioned that one of the main differences between the European Free Trade Association and the Common Market is agriculture. Those who are not in the Common Market did not agree because agriculture is a very sensitive and touchy area. Between Canada and the United States it is also sensitive and touchy. We have a situation where we have a very short growing season. We have high costs associated with our cold weather. We will now be competing with the southern United States which can produce agricultural products over a much longer growing season at a much cheaper rate.

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Cultural industries are involved in this free trade agreement even though it is said that they are not. There is an exception which brings them in through the back door. For the first time service industries are included in a free trade agreement. There is no other free trade agreement that covers service industries. Yet here we are in this bilateral ten to one population situation risking our service industries. Financial services are included, which is not usual. There are also restrictions on our Crown corporations and the right to create new Crown corporations, which is not usual in a free trade agreement.

Finally, this agreement eliminates the safeguards under the Auto Pact, which is not a free trade arrangement but which is a managed trade arrangement between the United States and Canada and which has worked very well in favour of Canada.

I have listed for you, Madam Speaker, 10 matters which are in this trade agreement which have no business being in a trade agreement. If this were a strictly free trade agreement, a commercial arrangement, as some of the government Members have stated that it is, then it would have been restricted to the elimination of barriers to trade between the two countries. It is not limited to barriers to trade between the two countries but sells out our ability to control our own country, our own economic policy, our own energy policy, and our own regional development policy as well as many other matters.

By entering into this agreement with the United States we are tying ourselves very strongly and intimately to the American free market system. As a result of doing that we will submit ourselves to strong competitive pressures that will lead to the harmonization of many of our programs which are not mentioned specifically in the agreement. That is what we mean when we say that our social programs are at risk under this agreement, as well as our regional development programs and our environmental programs.

If there are companies in Canada competing with American companies which have the right to sell into Canada without any tariff, then they will have to be competitive with those