

make the Leader of the Government a candidate to buy the Brooklyn Bridge.

Honourable senators, I would refer to the Gillette company. Of all the colossal, corporate nerve to say, the day after the election, "We are closing down in Canada. We did not make the announcement yesterday because we thought it might affect the outcome of the election." They are damned right! It would have affected the outcome of the election!

Senator Barootes: Good for them.

Senator Perrault: Many more opposition members would have been elected. A profitable corporation with a long history in Canada is callously closing down its operation and moving to New York state. It is showing no sense of corporate loyalty to Canada at all. Honourable senators will remember all of the pap we heard during the campaign, with the Conservatives saying that two million jobs would be created from coast to coast in Canada and that we were just going to luxuriate in high employment. The first things we hear are the closure, closure, closure announcements.

Honourable senators, I want to ask the Leader of the Government another question. On June 6, 1986, President Reagan imposed a five-year tariff relief plan for the Americans against imports of Canadian shakes and shingles. The relief tariff was originally set at 35 per cent; scheduled to fall to 20 per cent on December 6, 1988; to 8 per cent on December 6, 1990; and to be removed entirely on June 6, 1991. They did not provide any economic justification for their action. In the manner they are wont to pursue, they were unable to win the economic argument with Canadian shingle producers, so they just acted unilaterally to punish Canadian industry. In British Columbia it was hoped that one of the outcomes of a favourable vote for the trade deal would be that this iniquitous tariff on Canadian shakes and shingles would be removed.

I would point out to the Leader of the Government that we have lost 2,000 jobs in this industry in Canada since this unilateral action of the United States, and we had hoped that on December 6, 1988, President Reagan would cancel this unfair tariff. Instead, he announced that the five-year tariff relief plan would continue and that the schedule for removal would be accelerated. The current tariff of 35 per cent was reduced to 20 per cent on December 6, 1988, and he said that tariffs will remain at 20 per cent for one year instead of for two years. Various adjustments have been made, but there has been no cancellation of the tariff.

One would have hoped that, in the spirit of North American economic *glasnost*, we might have had some relief from this iniquitous impost on B.C. shakes and shingles and shingles produced by other provinces in Canada. No such luck! Just a gesture of that kind from the United States would have reassured many concerned Canadians, most of whom voted against this trade deal, but there was no relief forthcoming from President Reagan.

I should like to ask the Leader of the Government what reaction the government intends to pursue, if any, in the face

[Senator Perrault.]

of the U.S. refusal to back off from this tariff levy which has adversely affected so many jobs in Canada.

Senator Murray: Honourable senators, my friend has already noted that the President indicated that they would accelerate the removal of the reduction of the tariff. I simply wish to make the point that incidents such as the shakes and shingles situation, and others, point out very clearly the need for a mechanism such as the dispute-settlement mechanism contained in the Free Trade Agreement, which the honourable senator and others will be called upon to support and approve in this house, I trust, next week.

With regard to his rather lengthy preliminary remarks, I simply want to deplore the fact that the honourable senator should cast doubt on the integrity of the corporate citizenry not only of the Gillette company but of numerous other companies that have made plans to adjust and have felt it necessary to explain that what they are doing is not in any way related to the Free Trade Agreement. The reason they have felt obliged to do so is that honourable members of opposition parties seize on every such decision now taking place in the economy and on every ailment that manifests itself in the body economic or the body politic, however transitory the ailment, and blame it on the Free Trade Agreement.

Finally, I want to say to him that some months from now he and I and other senators will, I know, be celebrating the considerable increases in investment and employment which, I trust, in fairness, he will agree to ascribe to the Free Trade Agreement with the United States. He takes a very pessimistic view of the future, but there is nothing new in that so far as the honourable senator and his colleagues are concerned. A little more than four years ago, when Mr. Michael Wilson introduced his first economic white paper, friends of Senator Perrault in the other place were predicting a loss of 200,000 jobs in Canada as a result of Mr. Wilson's policy. The result of Mr. Wilson's policy four years later has been the creation of 1.3 million new jobs in this country, including, if I may say so, 156,000 jobs in my friend's province of British Columbia.

Senator Perrault: I hope the Leader of the Government is not suggesting that Mr. Wilson through his own talent and capacity created all of these jobs. Much of the credit for job creation in the province of Ontario is as a result of a change of government in that province to the Liberal government of Mr. Petersen.

Honourable senators, I am not pessimistic about the future, but the preliminary indications are that the deal is going to be bad for many Canadians. Of course, these are only "flowers" that, according to the leader of this group supporting the trade deal, will have to die.

● (2120)

For the record, Mr. Leader, let me answer your question and your statement about shakes and shingles. The tariff on shakes and shingles is not covered by the GATT, but it is covered by the Free Trade Agreement. Base tariffs on shakes and shingles are covered as Article 4418 of the U.S. tariff schedules and, therefore, are bound under the FTA. Canada