

*Customs Tariff*

fully withdraw any implication that any Hon. Members in the Conservative Party received kickbacks in the matter of the Fantasyland grant of \$5 million.

**Mr. Speaker:** Resuming debate with the Hon. Member for Winnipeg North (Mr. Orlikow).

**Mr. Prud'homme:** Good.

**Mr. Shields:** I wish you could hear what I am thinking right now after what you said. I would be out of this House for a week.

**Mr. Nystrom:** Jack-in-the-box.

**Mr. Manly:** He can every time you shake your head, Jack.

**Mr. Shields:** You have no class, Nelson.

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**CUSTOMS TARIFF**

## MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hockin that Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, in the few moments I had before the House moved to spend an hour on the matter of privilege, I was saying that what we have had from the Government and the chief free trade negotiator and, unfortunately, a number of columnists who write in some of Canada's major newspapers, is a completely one-sided explanation of what is involved in this agreement.

● (1650)

We have been lectured repeatedly that if we want this free trade agreement that will bring so many benefits to our country we will have to change our ways and stop our system of regional development grants and other forms of assistance which have established industries and plants in various parts of the country. However, while we are being lectured that we must change our ways, nothing is said by cabinet Ministers, Mr. Reisman, or columnists about the fact that the American Government, states and cities are involved in precisely the same kind of practices that we are being told we must curtail.

Of course, there is no suggestion that if we stop those practices which the Americans say are improper, the Americans will do the same.

I want to put on record some of the views expressed by two of Canada's well known columnists. Deborah McGregor, wrote an article entitled "Dragging Subsidies out into the Open", which appeared in the *Financial Times* on October 5, 1987. She begins by saying:

It is appropriate that, in the final days of the free trade negotiations between Canada and the United States, the spotlight was brought to bear on subsidies.

She goes on to say:

Too often subsidies have been used to coddle and cajole Canadian companies into short-term strategies and perverse behaviour.

A case in point is the Canadian Government's willingness to play handmaiden to one of the world's largest corporations—General Motors Corp.—by participating in a \$220 million interest-free loan earlier this year. Poor old GM had only \$5.5 billion in profits in 1985.

Next she says:

It is likely that the GM case has returned to haunt the Canadian negotiators at the free trade table.

Are we to assume that we are following practices which the Americans do not follow themselves?

Let us consider an article by Jeffrey Simpson in *The Globe and Mail* on October 9, 1987. It is subtitled "Free Trade isn't risk-free but neither is battling U.S. protectionism". He said in part:

In the United States, the free market is surrounded by liturgy. And why not? The free market has been the driving force behind making the United States an enormously wealthy country, a military superpower, a magnet for tens of millions of immigrants who sought to share in its bounty.

He goes on to talk about how we in Canada have subsidized various projects. He states:

This has meant a substantially greater direct involvement in the operations of the free market in Canada than in the United States.

In another part of his article he lists some of the supposed subsidies with which we have been involved and which we would have to stop if this agreement goes through. He includes in this list Sydney Steel and Sydbec. I hope Members from Nova Scotia are listening because he believes such projects would not be allowed.

Others include Domtar's plant at Windsor, Cominco's smelter at Trail, the Faro mine in the Yukon, the General Motors plant at Ste. Thérèse, Quebec, and others. The inference is that the Americans are not involved in such procedures.

Let me deal with the automobile industry in the United States. The figures I will quote are from documents prepared by a senior official for the Canadian Government, J.G. Miller, planning and analysis division of the Automotive Marine and Rail Branch, in April, 1986.

Let me summarize briefly what has happened with five plants built recently in the United States. Assistance has been supplied to these plants by the state or municipal Government for infrastructure, pollution control, tax abatement, education, training and for the establishment of what they call foreign trade zone status.