

For example, our unprocessed zinc can pass into the United States with a 1 per cent tariff, but a zinc alloy incurs a tariff of 19 per cent. This phenomenon is not confined to British Columbia. On both coasts tariffs have made the development of a processed fish industry uneconomic.

It has been said in the free trade debate that since 1935 tariffs between Canada and the United States have been reduced by such an amount that 80 per cent of our trade is tariff free. Why then, it is asked, such a fuss over the remaining 20 per cent? Why indeed? Because the statistic itself is meaningless. The actual tariff free figure is 72 per cent and it refers to the existing volume of trade. It cannot reflect trade that might have occurred but for tariff barriers. Furthermore, if trade in automobiles and auto parts is removed from the equation, the figures for the remaining trade are very different. Of the remaining trade, only 58 per cent is tariff free. Forty-two per cent, almost half, incurs tariffs. Thus the auto pact area of southern Ontario enjoys the benefits of what the Leader of the New Democratic Party has referred to as the "continental market force" but the regions of Canada struggle with tariff barriers which distort their economic development.

The free trade agreement addresses the single most significant historical grievance of British Columbia in Confederation. The free trade agreement democratizes the Canadian economy by giving to the regions what central Canadian industries have long enjoyed, access to a significant regional market.

Some Hon. Members: Hear, hear!

Ms. Campbell (Vancouver Centre): Not only has the free trade agreement addressed the regional grievance but it has been sought by the business community in all parts of the country. Canadian businesses, large and small, have recognized that the American market can be their springboard to competitiveness on an international standard. Both the manufacturing and the service sectors have realized that the path to greater prosperity lies in removing the training wheels of protectionism.

Make no mistake, protectionism has distorted our economy to the detriment of all Canadians. In protected industries the incentives to modernize plants and engage in research and development are greatly reduced. Grantsmanship and lobbying replace entrepreneurship and good management as industries come to rely on subsidies and tariffs to compensate for an inadequate domestic market. Protectionism exaggerates the comparative advantage of the highly populated core and discriminates against the less populated regions.

The Address—Ms. Kim Campbell

Over the past five years there has been an alarming flow of corporate headquarters from Vancouver, Winnipeg, Halifax and from other regional centres to Toronto. With a population of three million—less than the population of greater Toronto—how can British Columbia hope to reverse this trend toward the centralization of the Canadian economy unless it can offer businesses a market equivalent to that of central Canada?

But it is not just our economy which is harmed by protectionism. Protectionism poses serious risks to the health of the Canadian body politic. Not only is it a major contributor to regional economic disparity, but in the ensuing competition for government spending to alleviate the effects, the sparsely populated regions cannot carry the clout of the highly populated core. From this comes the perception in the regions that they are not getting their fair share. Resentment of economic disparities feeds a sense of political impotence which spills over into other areas. Issues such as language and Senate reform come to bear an emotional colouring unrelated to their merit, a colouring derived from the deeper more fundamental problem.

[*Translation*]

Our trade with the United States has increased by 80 per cent over the past twenty years, and we have been exposed over the same period to an ever increasing volume of feature films, televised programs, music and books from that country. In spite of that, our feeling of Canadian identity has not been reduced. Quite the contrary. It is even stronger today.

As a matter of fact, over the past ten years, the production of books by Canadian authors has increased by 500 per cent. A great many of our most appreciated social programs have been implemented during the last twenty years.

Our self-knowledge and self-confidence increase as our foreign trade grows.

[*English*]

No one can define himself in a vacuum, Mr. Speaker.

In Canada we have learned to balance the onslaught of American culture with our own reality. It is that ability to balance which is one of the chief characteristics of Canadians, which is why, perhaps, a Canadian has been defined as someone who can make love in a canoe.