

*Canada-U.S. Free Trade Agreement*

The Liberal Party, which opposes this specific agreement with the United States, has taken a stand and still stands for freer trade. It was under the Liberal Government that Canada joined GATT in 1948. We were one of the first countries to join and set up the GATT arrangement, which is a type of free trade arrangement. The preamble to GATT states: "These are arrangements directed to the substantial reduction of tariffs and other barriers to trade, and to the elimination of discriminatory treatment in international agreement".

The Member who spoke before me asked why we should be afraid of this agreement if we are a member of GATT. Again, GATT is a multilateral arrangement with many countries so that they can balance each other off. It is not a one on one situation where a large country like the United States can dominate the smaller country, in this case Canada. Not only is GATT a large multilateral arrangement, it is an arrangement that includes many cultures, many languages and many types of economy.

The Liberal Party supported freer trade since the end of the Second World War. Canada joined GATT under the Liberal Party. In addition, it was under the Liberal Party that tariffs between Canada and the United States were brought down from an average tariff of 30 per cent in the late 1940s to an average tariff of 5 per cent right now, before this agreement is in place. Not only was the general tariff brought down from 30 per cent to 5 per cent, we have a situation now where 80 per cent of all trade between Canada and the United States is without tariff at all. That was done without this special so-called proposed free trade agreement. That was done under the negotiations relating to GATT and sector negotiations.

Much can be done and has been done to bring about freer trade without selling out our sovereignty, our independence, and our identity.

Let me also point out that in 1987, the year before this agreement was signed, Canada had a \$20 billion trade surplus with the United States. There is a situation, without this agreement, in which there is no tariff on 80 per cent of the goods and services between the United States and Canada. The average tariff has been brought down from 30 per cent to 5 per cent, and we had a trade balance of \$20 billion. Yet the Conservatives are on their knees begging for an arrangement with the United States.

I mentioned that the GATT was, in itself, a type of free trade agreement. I found it amusing this morning as I listened to the Minister for International Trade (Mr. Crosbie) who, in his bumptious and show-boating sort of way, listed off a number of former Liberal cabinet Ministers who supported this agreement. He referred to the Hon. Donald Macdonald and the Hon. Gerald Regan. He did not refer, of course, to the Hon. Eric Kierans or to the Hon. Mitchell Sharp, also former Liberal Ministers who were very active in the trade and economic area and who are very much opposed to this agreement. We just listened to the Secretary of State, a new

Minister from Quebec. He and others try to give the impression that all of Quebec is in favour of the agreement, that there is a great consensus in Quebec, including the Quebec Government, in favour of this agreement. That is not so. The business associations are favourable to the agreement, La Chambre de Commerce, Le Conseil du patronat, and those who have economic power are in favour, but L'Union des producteurs agricoles, the trade unions in Quebec, the associations of social groups and so on, are opposed. It will be interesting to see what will happen in Quebec at election time. The point is that there is a great division not only in Quebec but throughout the whole country with respect to this agreement.

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Having sat on two parliamentary committees, studying this proposed agreement, I have come to the conclusion that, generally, those who support the agreement are the business groups, the chambers of commerce, the boards of trade, the manufacturing associations, and so on, those with economic power. Those who are opposed, and there are a lot who are opposed, are the trade unions, the women's groups, some of the academics, the National Association of Poor People, and the churches. In other words, those who put a higher priority on economics seem to favour the agreement, although I think they are being short-sighted, and those who oppose the agreement are those who put a high priority on social, political and cultural matters including sovereignty, independence and identity. There are exceptions to that assessment, but generally that is the case.

The Minister for International Trade this morning suggested that all free trade agreements are the same. Members of the Government are using various agreements interchangeably. They seem to indicate that if the Common Market is good, if the Australian-New Zealand Agreement is good for those countries, then this must be good for us. I have already dealt with that. It is not at all true.

Members of the Government also have the tendency to suggest, and they do suggest, that if one is against this agreement that they have negotiated, one is a protectionist. The Secretary of State just said that if we are against that agreement, we are protectionists. That is absolute nonsense. To be against this agreement does not mean you are a protectionist any more than that the Austrians, the Swedes and the Finns, who are opposed to the Common Market, are protectionists. They have their own kind of free trade arrangement which is more suitable to them. We feel there is a better way of dealing with the United States than this agreement. Because we are against the agreement does not mean we are protectionists.

In some respects, the agreement falls short of what a true free trade agreement, a classical free trade agreement, should be, because it does not ensure access to the United States. For example, the most serious trade barrier between Canada and the United States is not tariffs. I already mentioned that 80 per cent of all goods and services between Canada and the