

Finally...and I have chosen only a handful of the important benefits of the Free Trade Agreement ...Canada would lose the benefits of eliminating all tariffs on our exports to the U.S. The Opposition says this is no big deal as only 20% of our exports still face U.S. tariffs. The critical point is that those remaining tariffs are primarily on manufactured and processed goods. That tariff structure makes it cheap to export raw materials and expensive to export many finished or processed products made from those raw materials. Eliminating remaining tariffs gets rid of this dis-incentive to do more with our resources in Canada.

Jim McCambly, President of the Canadian Federation of Labour put it simply,

"More pre-export processing means more jobs."

In addition to these shields against U.S. protectionism, in addition to the opportunities for employment and growth that we will lose if the Free Trade Agreement is torn up, we will also lose our standing as a leader among the nations of the GATT.

What are the prospects for more open multilateral trade if we tear up this Agreement that has been hailed by our major trading partners as a model for advances under the current round of GATT negotiations? What will happen to our push to open up new global markets by overcoming European and Asian trade restrictions in the 96 member GATT if Canada and the U.S. can't even agree between themselves on more open trade?

Canada is hosting an important conference of all GATT members in Montreal in December. The success of that meeting is critical to the success of the whole current round of negotiations under GATT. But, as the noted economist Dian Cohen recently said,

"If we [tear up] the Free Trade Agreement and confirm tariff and non-tariff barriers to commerce in North America why shouldn't [GATT members] just cash in their airline tickets and stay home."