

saying: "Yes, but we want to improve upon it". That is well enough said.

But to go back and start talking about water or including the old fear-mongering they tried in the last election, I would suggest that they not continue with that at all. I do not think it goes over well with the Canadian public today. I would suggest that they should stay way from that.

We certainly welcome their support of the free trade agreement. There should be a free trade agreement. Also the member from Winnipeg mentioned with some positiveness the NAFTA. Wow, I guess the numbers must not have been in his favour at the meeting in Hull. It looks like they are coming of age and understanding. When one is the government one gets to understand it to a greater extent. They must have had a few people bring them on side at their little session in Hull. This is pleasing and we are pleased to have their support.

They have some great ideas and suggestions on how to improve the North American free trade agreement. That is great but do not use fear-mongering. I do not think it is fair that Canadians be subjected to that kind of thing. Water never has been and never will be part of a free trade agreement between Canada and the United States. That is known by practically everybody, other than those who want to use fear-mongering.

I appreciate the opportunity to respond.

**Mr. Alex Kindy (Calgary Northeast):** Madam Speaker, I was just listening at the tail end of the speech of the hon. member. I would just like to comment on the free trade agreement as such.

I believe when we were discussing the free trade agreement and Mr. Reisman was our negotiator, he was assuring us that there would be a period where there would be adjustments, otherwise we would be losing jobs.

The most important thing he forgot when he was negotiating was that our cost of production is much higher than in the United States. The cost of money is much higher because our interest rates are much higher and the rate of taxation is much higher than across the border. Therefore, how can we compete and have a free trade agreement on the same level if the cost of production is much higher here than in the United States?

### *Supply*

Naturally we are seeing that industry is moving south because we are unable to compete. It is much more expensive to produce north of the border than south of the border.

**An hon. member:** Why did you support the agreement?

**Mr. Kindy:** Somebody is asking: "Why did I support the agreement"? I did it because I was fooled. They fooled me. It is simple.

**Mr. Mills:** The whole country was fooled.

**Mr. Kindy:** Another member just said the whole country was fooled. This is why I believe that we should have a second look at that agreement and take steps to correct those elements I just cited. It is impossible for a country to be competitive with another country where the cost of production is much higher. The cost of production is much higher in Canada than it is in the United States.

Now we are talking about a free trade agreement with Mexico. Imagine! What is going to happen to Canada? We will lose most of the industry and become suppliers of the raw materials for the United States and Mexico. I believe this is a deal that was negotiated in bad faith.

I saw the negotiator, Mr. Reisman, at noon in the parliamentary restaurant. I do not know what he is doing, but he should be called before the bar of this Parliament and asked questions. How did he make the deal? The Prime Minister should be called because he really sold out Canada to the United States.

We have to negotiate; we know that. We have to trade; we know that, but to do so, we should be protecting the interests of Canadians and we have not been doing that.

**Mr. James:** Madam Speaker, hon. members should note countries like Japan and Germany. They probably have the highest wage rates in the world yet they compete with automobiles and they compete throughout the world. They have relative differences than other countries. It is one of a total balance sheet production efficiency side.

What are we going to do? Close all the borders up? Stay within ourselves, throw millions of people out of work? We have to be competitive. We have to compete in the world. We have to open up our borders and we have to learn to compete with our productivity and efficiency.