

government members who were supporters of the FTA: "How long do you think you will be in a free trade agreement with the United States before you will have to accept, either directly or indirectly, some form of regulation of the value of the Canadian dollar? The United States is not forever going to allow Canadians to export without restriction into the United States, if that exporting is taking place in the context of Canadian exporters having the advantage of a much lower Canadian dollar".

• (1250)

I often remember those words when I see what is happening now. I ask myself why this mania, why this obsession on the part of the government to maintain high interest rates and in so doing maintaining a high dollar? Perhaps it is because the integrity of the deal depends on maintaining the dollar at least at a certain level.

So what are Canadian business people and Canadian exporters up against? They find that the free trade agreement is not everything it was cracked up to be. The Americans are still able to harass our exporters and make life difficult for them. They have lost and are continuing to lose the advantage of the lower dollar. On top of losing the advantage of the lower dollar, they are now subjected to the disadvantage of the high cost of money related to the high interest rate policy of this government. Therefore, they are in double, even triple jeopardy as a result of the agreement. The other dimension of the agreement is that it has made it so much easier for Americans to operate in Canada and has also created a situation, as we all know, in which many Canadian companies, rather than face this array of obstacles, have decided to move their operations south and be done with it all.

This is as a result of a free trade agreement that was supposed to be the best thing that ever happened to Canada. I think we will see over time that it was one of the worst things that ever happened to Canada, but that is something that only time will tell. I think the time that has passed so far has told us this, but only if one is willing to suspend the kind of uncritical belief in the agreement that government members still have.

### *Government Orders*

What lies ahead, Mr. Speaker? Well, it appears that we are destined to have a free trade agreement with Mexico. The government stated that we do not have to harmonize with the United States, but we find that we are harmonizing with the United States. One of the first things that came along in this Parliament after the free trade agreement was signed was a bill in respect of unemployment insurance that, just by coincidence, made our unemployment insurance system a lot like the American system. Pure coincidence, of course, because the government maintained during the campaign, and this was its biggest lie during the campaign, that there would be no need to harmonize our social system with the Americans. Anybody who has studied economic integration, wherever it has taken place, will tell you that one of the end results of economic integration, wherever it takes place, is the harmonization of social systems, labour laws, et cetera.

It is happening in the European Community in preparation for the single market of 1992. Everyone there is working on what they call the social charter; they are working for what they call a social Europe. They are saying that if we are not going to have any barriers, if we are going to have a completely integrated and single market in Europe, then there has to be a basic agreement about the ground rules. There have to be some ground rules about social security, minimum wages, labour market conditions, and a socially just basis on which this competition can occur.

This is something that the government refused to admit when it was bargaining and negotiating Canada's way into the free trade agreement. Every time critics of the agreement said you are going to have to come to some kind of harmonization—and we Canadians stand to lose in that harmonization—or if you do not have harmonization in the short-run, our system is such that we will have to unilaterally give up certain elements of our social system in order to remain competitive in this new situation that we have entered through the free trade agreement.

I began this conversation about Europe at the point at which I mentioned the possibility of entering into a free trade agreement with Mexico. It would be bad enough if we had to harmonize our social policies and our labour market policies with the United States, which is already a more exploitive and less socially just country than our