

Government Orders

As Canada goes forward into the next century it is perhaps a very timely agreement for us to be signing.

• (1335)

We should compare our nation today with our nation when we got involved in the free trade agreement. Going back to the time when we got into free trade with the United States it was a major leap of faith for most Canadians. It said we were going to start to break down the trade barriers within Canada and start competing on our own as a nation within the world.

First we had to compete with the United States. Then we went to the North American free trade agreement in which we decided we were going to compete with the United States and Mexico. Now we are going one step further with the GATT which means we will be competing sooner or later with everyone in the world.

What does that mean to us here in Canada? How does it affect us when we are trying to get by, trying to get a job, trying just to pay our rent? This is it. If we are not the very best that we can be, if we do not as a nation and as individuals strive for excellence, we are going to be buried in the world. We can no longer hide behind tariff barriers.

The tariff barriers in Canada existed for years and years. They created artificial subsidies. The unnatural but natural conclusion were things like the back-in agreements or the backflow where empty grain cars go to Thunder Bay and then come back so that the railways can get a subsidy, so they can get more money for some God forsaken government program. We have the situation where grain grown in western Canada is subsidized to be shipped east. It goes into a feedlot in central Canada so that we can sell beef raised in central Canada on western grain rather than having the beef fattened on western grain in western Canada and then sending dressed beef to the markets, a natural advantage.

All of these distortions that are built into our trade agreements within our own country serve one purpose only: to make us less competitive on the world stage. That is why it is so important that we as Canadians in the present supply managed sectors and all other sectors understand the absolute necessity of becoming competitive as world traders.

A quarter of our nation's wealth is derived from international trade. Eighty per cent of our international trade is with the United States. Twenty-five per cent of that trade is internal trade within branch plants.

In last Saturday's *Globe and Mail* there was a business report from the Royal Bank. I will just show it very briefly for those in television land—

The Acting Speaker (Mr. Kilger): Order. With all due respect to all those people in television land, within the confines

of this wonderful Chamber we do not use "props". We will listen attentively to the wisdom of the hon. member for Edmonton Southwest.

Mr. McClelland: Mr. Speaker, I thought I might be able to sneak that in because I wanted to give credit where credit was due. Less attentive Speakers have allowed me that privilege, but I can see you are on your toes today.

In any event distributed with the *Globe and Mail* last Saturday was a report by the Royal Bank.

• (1340)

This might be a good time to put in a plug for the industry committee of the House of Commons which has put together a report on small business. I think most members of Parliament have been inundated with innovative initiatives by all of the banks to try to foster small business.

In any event the Royal Bank publication points out some of the benefits and some of the realities of the trade situation we find ourselves in. The reason I would like to quote some of these statistics is that the signing of the GATT and our commitment to become international traders will inevitably lead to the fact that we had better pay a lot more attention to the next generation of Canadians so that they can compete on a world stage. The next generation of Canadians will compete because of their knowledge based resources.

We in Canada have been very fortunate. We have been blessed for many years. We were able to live a standard of living far beyond our means because we exploited Canada's natural resources. By and large we were the suppliers to the world of natural resources at a relatively low price, but it brought a tremendous amount of wealth into Canada. We were then able to transfer that wealth into the social programs we have all grown very accustomed to and that we really like. The problem is that we are no longer such an exporting nation. We do not have the resources to export and we have not replaced them with anything else.

Let me give an example. One-quarter of our national wealth is derived from international trade. One-third of our jobs depend on international trade. Nine thousand new jobs result from every billion dollars of additional exports. Nearly half of Canada's manufacturing output is exported. Exports generate more than \$5,000 for every Canadian every year. That is really kind of nice.

This is what we are exporting and this is where the problem is: passenger cars, \$24.1 billion; trucks, \$10.5 billion; motor vehicle parts, excluding engines, \$9.6 billion; softwood lumber, \$9.2 billion; and crude petroleum, \$6.9 billion. Where do you see anything there other than the automobile industry that we have any value added?