

*Canada-U.S. Free Trade Agreement*

Member about the opportunities there to expand the petrochemical industry in which I know that province is so very interested?

● (2020)

**Mr. Bouchard (Lac-Saint-Jean):** Madam Speaker, of course, the free trade agreement would provide us with a marvelous opportunity to improve Quebec's chances in the petrochemical industry. I can draw a parallel between this sector and the aluminum sector.

I was elected in a riding where raw aluminum is very important. We have raw aluminum plants in Alma, and there is another large one in Arvida, as well as in La Baie. The paradox is that while raw aluminum goes freely into the United States now, when we try to transform it in the secondary industry, we cannot do so without being exposed to tariffs. This is very bad because regions like mine can only be the exporters of natural resources, like electricity. This agreement will allow us to create secondary industries which are very important and will revitalize our region. It will create new jobs in the small enterprises for our young people. The youth of our region will not leave to live in big cities. While it is a good thing for them to leave sometimes, it is bad for the future when most young people leave their families and the region.

This is also a social project in that it will create jobs and new and great opportunities for young Canadians to build a new society.

**Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East):** Madam Speaker, since this third reading debate is the last opportunity for us in the House of Commons to discuss the so-called free trade arrangement, I want to take the opportunity to deal with some of the critical arguments.

At the outset let us make it absolutely clear that what we are discussing in this Parliament is this very specific arrangement between Canada and the United States, signed by the President and the Prime Minister (Mr. Mulroney) on January 2, 1988. That is what we are discussing. We are discussing whether we are for or against that specific arrangement and nothing else. What we must do is to add up the good points and the bad points in that arrangement and decide whether it is good for Canada or bad for Canada.

I say that because many people believe or make the mistake of discussing theoretical free trade, textbook free trade, or classical free trade. As a matter of fact, they are confusing this arrangement with the Common Market, with the European Free Trade Association, with the Auto Pact, and with GATT. All these things that I just mentioned are, in a sense, a type of free trade. What is evident is that there are many types of free trade arrangements. It is also obvious that one can be in favour of some types of free trade and totally opposed to other types of free trade arrangements. Of course, it depends on the details of each one.

A very excellent example of this is in Europe. In the centre of Europe there is the European Economic Community, better known as the Common Market. That comprises 12 countries. However, there are also in Europe seven countries that are known as the outer seven. They also believe in free trade but do not want anything to do with the Common Market. The fact that they are opposed to joining the Common Market does not mean they are against free trade. They have set up their own association known as the European Free Trade Association. Those countries include Switzerland, Austria, Finland, Sweden, Norway and, I believe, Portugal. Britain was originally a member of that group as well.

They have agreed to a type of free trade arrangement that is different from the Common Market. The European Free Trade Association has an agreement whereby they have eliminated the tariffs on all manufactured products but do not deal at all with agricultural products. They do not deal with resources or with joint economic policy. Since the Common Market deals with agriculture, with resources, and deals with a common economic policy, they did not want to join.

I simply make that point because I want to demonstrate very clearly that one can be against one type of free trade agreement and totally for another type, depending on the conditions.

In this debate, the Member who just spoke, the Secretary of State (Mr. Bouchard), made a common mistake. He said that because the Common Market is a good thing for some European countries, and they have agreed to that kind of free trade arrangement and it has not hurt them, consequently we should agree to this bilateral free trade arrangement with the United States.

There is no similarity between the type of arrangement that exists in Europe among the Common Market countries and this arrangement. First, in the European arrangement there are 12 countries, a great number of which, including Britain, France, Germany, Italy and Spain, are more or less the same size. Many of the countries can balance each other off economically.

The other major difference besides being a multilateral arrangement with countries more or less the same size is that in most cases they do not threaten each other from a cultural point of view because they have different languages and culture. There is the English language, French language, German language, Italian language, Spanish, Dutch and so on. There is quite a difference between that type of arrangement and a bilateral arrangement between a country of 250 million and a country of 25 million people where two-thirds of the population speak English and all of the United States speaks English. The threat to sovereignty is much more pronounced in this bilateral arrangement with the United States than it is in any way at all with the Common Market. Despite that, I repeat that a number of countries in Europe refused to join the Common Market because such things as agriculture were included.