

going to be major tax bites or an increase in deficits. Talk about misrepresentation. I suggest that to accept on blind faith that somehow there will be all kinds of consumer benefits is simply to live in a fool's world.

● (1550)

Let us turn to the final argument that the economists like to use, those evangelical economists, the Jimmy Bakkers of Canada, who are saying that if only you buy free trade, you shall be saved. Their solution for Canada is called the shock therapy system. They say that if only we had access to that big American market of 250 million people, Canadian industry would be forced to get mean and lean, really gear down and get tough and competitive and break into those markets. It sounds good in a textbook, but we have an interesting case history before us.

There are many industries which do have free trade. One of the most important such industries was the farm machinery industry. There was a time when Canada was a leader in the production of farm machinery. Some of the proudest companies in Canada, companies like Cockshutt and Massey-Ferguson, provided not only jobs but real pride. We were the leaders in the technology. We sold all around the world. By the way, we did that when we had a preferential tariff.

Over time, in the 1940s and the 1950s, the Americans eliminated their tariffs so we thought we had to eliminate ours as well. Now the bones of those farm machinery companies are strewn from one end of the country to the other. John Deere priced them out of existence. Massey-Ferguson has been sold off. Versatile, located in my City of Winnipeg, is now a branch plant of Ford. The independent farm machinery industry of Canada which had free trade, which according to economists would make it lean, mean, tough and competitive, is now a dead industry.

**Mr. Hopkins:** International Harvester doesn't even have a plant.

**Mr. Axworthy:** No, it does not have a plant. The Morris-Rod-Wheelen system in Yorkton is also in trouble. I know because a relative of mine is involved. The fact is that there is no magic wand. To buy the case made by people like Richard Lipsey, John Crispo and people from the Queen's School of Economy is to buy the evangelical protestations of Jimmy and Tammy Bakker or Jimmy Swaggart. It may be fun, but we will not get salvation. We may get burned along the way.

**Mr. Hopkins:** Their revenues are down too.

**Mr. Axworthy:** Yeah, they have lost it all. Talk about real free trade. Sometimes we thought it was slave trade.

The point I want to make is simply that the proponents and advocates of this agreement have not been able to successfully make the case that this agreement will provide substantial improvement in jobs and in growth of consumer savings or productivity.

### *Canada-U.S. Free Trade Agreement*

Let us consider the claim that this will help regional development. People tell us to look at the European Economic Community. Let us look at it. Is northern England bouncing into a wild era of prosperity and optimism because of the European Economic Community? No, it is a depressed, dilapidated region of England. The same is true of parts of Italy, Belgium and other places. Belgium has the highest level of youth unemployment and it is part of the Common Market. The problem is these countries are up against some very large economies which are simply dwarfing and swamping them.

**Mr. Hopkins:** Maggie Thatcher wouldn't understand that.

**Mr. Axworthy:** My colleague says that Maggie Thatcher would not understand that. She is beginning to understand it. Now, as the Common Market is beginning to move toward some of the same things that are in this agreement, Maggie Thatcher is saying: "No, no, that takes away our sovereignty, that takes away our economic rights". She is pulling away from the precipice. Maggie Thatcher is not prepared to make a leap of faith, even though she has a broomstick to do it on. She is not going to do it.

**Mr. Marchi:** And she lectures us.

**Mr. Axworthy:** That's right. She can come to the House of Commons and tell us that free trade is good for us, but when it comes to Great Britain, Maggie Thatcher is all of a sudden pulling in her skirts and saying: "No sirree, I'm going to defend my people".

I challenge Members on the other side to prove to us with hard facts, not rhetoric, not evangelicalism, but hard facts, that there will be economic benefits. Those facts simply are not there. Committee hearing after committee hearing, report after report, showed clearly that it was simply a smoke-screen.

**Mr. Malone:** False.

**Mr. Axworthy:** That comes from a Member who never attended one committee meeting and did not know what was being represented.

Let us move on to the other great statement that is made. Now we will talk about the Prime Minister, that great paragon of truth and veracity. When the agreement was introduced, he said that our highest priority is to have an agreement that ends the threat to Canadian industry from U.S. protectionists who harass and restrict our exports through misuse of trade. He said: "Let me leave no doubt that a new regime of trade remedy laws must be part of this agreement".

The Prime Minister was right in one sense. There is a new regime of trade remedy laws, but they are not the kind the Prime Minister was talking about. The end result of two and a half years of negotiations on so-called free trade with the United States to get some kind of salvation from U.S. protectionism is tougher U.S. trade laws. There is a skillful negotiator for you. There is someone who really knows how to get a good deal. After two and a half years and after putting the