

Encounter York

by James Flagal

Free trade. It's on this issue that Prime Minister Brian Mulroney failed to make his case during last week's televised debates, and the reason why the Liberal campaign has finally gotten itself off the ground almost four weeks after the election call. Those opposed to the deal have been better able to articulate their side to the public, while the Conservatives have made some serious mistakes in trying to sell the deal.

It was no different in last Thursday's all-candidates forum in Curtis Lecture Hall I. On hand were York's Central incumbent, Liberal Bob Kaplan, Progressive Conservative candidate Rocco Sebastiano, and since New Democratic candidate Cathy Mele was sick, the NDP candidate from York West — Alice Lambrinos — filled in.

An audience member immediately sparked emotion over free trade, demanding that Kaplan cite the specific section in the deal which says that regional subsidies will be affected. Kaplan conceded that while there was no section in the deal which explicitly refers to regional subsidies, he questioned the government's wisdom in signing a pact that has yet to define a subsidy.

Lambrinos called that dangerous, and said that if the trade deal goes through, there's a possibility that the medicare system could be bought up by American corporations.

And like in the televised debates, Sebastiano found himself on the defensive, charging that the other parties have been misinforming the public through their campaigns. He confirmed the government's commitment to regional subsidies and social programmes, and said that the government would never sacrifice these services.

Like true politicians, both sides present a distorted picture. It is unlikely that the Canadian government would ever sell our medicare system — it is an assumed government service, and any party would be committing political suicide by even contemplating such a move. That's the problem with the opposition to the deal; sometimes it delves into such ridiculous hyperbole that it does a disservice to the electorate.

On the other hand, those in favour of the deal are not completely forthcoming about its flaws. Why Canada ever signed a deal without a definition for subsidies is a mystery — in fact it was a question put to Sebastiano during the forum.

Here Sebastiano made a terrible mistake, almost as bad as the one Mulroney made during the televised debates. Mulroney alluded to the deal as just a commercial agreement which could be cancelled in six months.

Sebastiano told the audience that "because of time constraints, we couldn't get an exact definition. And since the clock did run out, both parties agreed to conduct talks over the next five to seven years in order to determine an exact definition for subsidy."

Yet how can one even consider the ramifications of this deal without knowing this critical information?

A couple of questions linger on this matter: why didn't the government get some sort of explicit exemption protecting our regional subsidies and social programmes? Also, because Canadians have a greater taste than Americans for social welfare programmes, we have come to accept higher income tax rates.

But what will attract American companies to set up shop here when they have to face this kind of unfavourable tax environment? Some states don't even have minimum wage legislation, let alone medicare. And who says the United States won't target some of our social programmes during the upcoming set of negotiations?

It's happened once before, a York student told the panel of candi-



ENCOUNTER YORK: Free trade was on the minds of all the candidates at last Thursday's forum. The forum was sponsored by the York University Faculty Association and the Council of York Students Federation. On hand from left to right were: Rocco Sebastiano (PC), York Political Science professor Michael Stevenson who acted as moderator, Robert Kaplan (Liberal), Alice Lambrinos (NDP).

dates. Just recently the US International Trade Commission ruled that UIC payments to fishermen in Newfoundland constituted an unfair subsidy to the Canadian processed fishing industry, in the case involving the National Seas Company, he explained.

Sebastiano responded to such doubts expressed by audience members by pointing to the Auto Pact. He said this is a perfect example how beneficial a free trade arrangement can be for Canada, and then charged the opposition parties with unfairly criticizing Canadian chief negotiator Simon Reisman.

"Isn't it funny that one day after negotiating the Auto Pact, the man's a genius. But then after completing the trade deal, he's a traitor," he said.

He explained that the Auto Pact worked because Americans realized that Canada is a good place to do business. He argued that American firms will be attracted to Canada because "we produce here, and the workers are better educated."

Kaplan disputed Sebastiano's analogy, saying the Auto Pact agreement had certain conditions that the free trade deal does not.

"It's a deal in an industry where we tied Americans to three conditions: building plants, creating jobs, and shipping goods made in Canada over the border duty-free. Then there would be no duty on such production coming into Canada. American business has come here because they had to. In this deal there are no stipulations which tie the Americans to commitments like those in the Auto Pact."

Kaplan went so far as to question Reisman's initial commitment to the pact. There is still some mystery surrounding the 11th hour of negotiations. Kaplan reminded the audience of Reisman's initial announcement last October that it didn't look like both sides could reach a deal by the deadline. The Canadian public believed that the free trade initiative was dead.

But two days later, the government told the public that a deal had been reached. According to Kaplan, "the deal has a number of flaws, and they all relate to the negotiating style of Brian Mulroney."

His tactics, explained Kaplan, included putting good negotiators forward to work out the best deal. And in the 11th hour, when negotiations reached an impasse, Mulroney walked in and "gave the Americans everything they were asking for. No American wanted the deal, but Mulroney held a gun to his head over this deadline because he was down in the polls and know he needed some kind of initiative — like the free trade deal — to boost him politically."

But that kind of simple explanation doesn't answer other obvious questions about the deal, like another asked at the forum: why do eight out of ten premiers support the trade deal?

Kaplan seemed to struggle with this one, referring to Quebec Premier Bourassa's support based on the federal government's success in selling Meech Lake to the other provinces. That's doubtful, especially when one considers the potential revenue Quebec's hydro-electric industry can make out of this deal.

A Trade Strategy

While the Liberals and New Democrats have been so effective in attacking the deal, they have done little to outline their own trade strategy. The Liberals like to gloat over Canada's success in reducing trade barriers over the past 20 years — developments which took place mostly under Liberal rule. Almost 80 per cent of trade between Canada and the US is now tariff-free, so why not go along the same road?

That kind of wisdom could be dangerous too, and here's a few points that Sebastiano could have offered his audience. First of all, most trade barriers are against processed or manufactured goods, greatly debilitating the development of Canadian secondary industry. By securing access to the US market, regions like British Columbia and the Maritime provinces can process or manufacture their resources before sending it south of the border, making more jobs and more stable economies in these regions.

The development of trading blocs throughout the Western world is another persuasive argument why Canada should accept the deal. Many critics are saying that the European market will be impenetrable by the end of 1992. Over the next four years, members of the EEC plan to completely eliminate tariffs, making it difficult for parites outside to gain access to these markets.

And now there is even hinting between the far-eastern rim countries

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