

Canada-U.S. Free Trade Agreement

trade law, and simply because the United States asserts it to be fair in its own jurisdiction is no reason why we must accept it. This grandfathering prevents us from doing it. It prevents Canadian softwood lumber producers from getting fair and proper appeal to an iniquitous tax which is forcing people out of work.

I say to Members of the House, why should we not at least move an amendment to take this out of the agreement, in order that we can put our own softwood lumber producers back in the ball game? Give them a chance, and at least get back at the negotiating table, and if that does not work, at least go back to the GATT and challenge it there. This closes the door forever and ever.

All economists predict that the exchange rate will continue to rise once the agreement goes into place because there will be pressure for harmonization. Mr. Cohen, the former Deputy Minister of Finance, stated after the election—he did not quite get to say it during the election—of course we will be harmonizing exchange rates, tax rates, and social programs. The end result will be that the type of desperation faced by softwood lumber producers in northern Ontario will be shared by British Columbia, the Maritimes, Quebec, and all other places where that most important industry is in the country.

We are only a few hours away from a Christmas season where perhaps even Tory hearts are somewhat sensitized. The Member for Thunder Bay—Nipigon (Mr. Comuzzi) points out that close to 420 workers will be affected by the Great West Forest Products lay-off on Christmas Eve, and there will be more to come.

Here we have an accommodation: no new adjustment programs, grandfathering of the softwood lumber clause in the agreement, and locking in a new negotiation on subsidy. Talk about putting handcuffs on the Canadian industry. The Government states that it wants Canadian industry to go forward and compete, to thrive, and to show its entrepreneurship. It is the Government that is putting a padlock on its fortunes. It is the Government that is putting it into a box. It is the Government that has bound the softwood lumber industry to a form of perpetual damnation in the tax system.

Those are only a small selection of amendments that we are dealing with. My friend, the Hon. Member for Davenport (Mr. Caccia), and others, will deal with the question of how it affects the environment. My friend, the Hon. Member for Algoma (Mr. Foster), will be dealing with the question of agriculture. My friend, the Hon. Member for Mount Royal (Mrs. Finestone), will

be dealing with questions of culture and communications.

Under the agreement textiles were to be a great breakthrough. I can remember meeting with the Canadian apparel manufacturing institute and others here who stated that the Government had told them if they signed the agreement that it will be open sesame, and there will be all these new markets. Once again the Government talks about having confidence in your country, go forward and multiply, be smart, and be competitive. What did the Government do in the agreement? It signed an agreement which put quotas on the amount of fabric that the apparel manufacturers could use from Third World countries, even though it knew that one of the underlying basic foundations of the apparel industry is its ability to bring in fabrics from Third World countries, process and manufacture them here in Canada to put a strong fashion imprint on them, and then be able to sell them abroad.

The Government of free enterprise and entrepreneurship has said it will not let the industry buy those fabrics, and that it will put a quota on them. If the apparel industry goes ahead and attempts to avoid any form of duty remission, the American Government will have the right to apply a penalty against our manufacturers. That is written into the agreement.

Mr. Flis: That is their concept of free trade.

Mr. Foster: They took the shirt off our back.

Mr. Axworthy (Winnipeg South Centre): Then the Government states that if we go before the International Trade Tribunal maybe we will try to get a little lowering of that capping. Nothing has been heard since.

Of course, in the agreement it is open season for American garment manufacturers to come into Canada on their own products and do what they want. We will end up with the interesting and illogical position where Canadian apparel manufacturers will have to use American textiles, bring them into Canada and try to sell them back to the United States. That is a wonderful case of Tory economics.

The rhetoric is denied by the facts. The rhetoric and the reality do not match. The Government can use all the language that it borrows from Mrs. Thatcher and Ronald Reagan, but when it gets down to it in the agreement itself the Government has put a series of strait-jacket on Canadian industry and enterprise. That is why we wanted to move amendments to try to clarify