

Canada-U.S. Free Trade Agreement

Mr. Hopkins: The eastern Ontario area was designated for regional development incentives up until June 30 when the Government cut them all off.

Mr. McDermid: What has that got to do with the free trade agreement?

Mr. Hopkins: A group of people who wanted to start a planing and lumber business in my constituency had their application in long before June 30. Everything was in order. They were having trouble getting it through. I took it up with the Department on their behalf and was told that it was not going to approve any subsidy for a milling process dealing with softwood lumber, for example, because it would upset the free trade deal. This is a fact of life, so I do not want any government Member getting up in this House and trying to tell the Canadian people that this trade deal does not affect regional development.

Mr. McDermid: It does not.

Mr. Hopkins: That is a perfect case in point.

There is an old saying that none are so blind as those who will not see. There are none so dangerous as those who will not think. The Government has turned a blind eye to everything pointed out to it. Regional development is definitely affected by this deal.

The experience with the lumber mill that I just spoke about was not a lower level decision. The decision was sent down the line in the form of directives from senior bureaucrats in the Government. As a result, it becomes government policy. The Government cut off regional development incentives long before June 30 in my area of the country, yet Members opposite turn around and say that the trade deal is not affecting regional development.

I also want to talk this morning about small business set-asides. These are contracts coming out of the Pentagon in Washington on which Canadians are sometimes allowed to bid. However, the Americans have had a policy for some time now where they lift a large number of those contracts out of circulation as far as Canada is concerned and set them aside strictly for bidding by American contractors. We had greater free trade on defence contracts with the U.S. in the 1950s and early 1960s than we have today under this deal. On July 5, the Minister for International Trade (Mr. Crosbie) made this statement in the House in answer to a question. He said that the free trade deal was negotiated. That is a terrific statement. He also said:

We know that there is a U.S. small business set-aside program. It was agreed to have a mutual opening of government procurement which extends the multilateral provisions already signed under the GATT, and estimating the size of the U.S. government procurement market which will be opened to competition from Canadian businesses, including small businesses, the portion excluded under the U.S. set-aside program has been netted out. The estimate is that Canadian businesses will be free under the agreement to compete for a portion of the U.S. government spending, estimated at \$3 billion Canadian. That was not possible before, Mr. Speaker.

I took this matter up with Department of Supply and Services senior officials who are in on the trade deal firsthand. They informed me that not a single thing has changed with respect to the small business set-aside program with the U.S. and Canada as a result of this agreement. That means that Canada did not get free access to the American market as the Government is trying to tell Canadians. That simply backs up what our critic, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), and our Leader are saying, that Canada did not get free access to American markets. That is absolutely true when it comes to small business set-aside programs.

Every time someone brings out the facts on this and starts talking about it, government back-benchers and the Cabinet get up and say that we are backward looking, that we are not progressive thinkers, and so on. You are not backward thinking if you are trying to protect Canadians from a bad deal that the Government is projecting as a positive thing, when in fact the very openness of the market that they are projecting is in fact not there. We do not want to sell out Canada. They should not project all these things when they are not true.

We know there has always been a building up of infrastructure and transportation facilities in this country on an east-west basis. Always there has been, long before Confederation, a north-south axis as a result of our relationship with the U.S. However, we have always been able to resist that. Now, in one fell swoop in this trade deal, the Government has taken away all the positive things that Canadians have done over more than a century to build a nation on an east-west basis. In one fell swoop it has given in to the north-south axis, and it is now going to be fully influenced by the large economy and culture to the south.

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Government Members are talking about people running scared. They are running scared because they say that if we do not get this deal, something terrible will happen to us. They are saying that we will be rejected, but we are saying that Canadians have fantastic relations throughout the world and we should not be putting all our eggs in one basket. All over the world Canada is well known and highly respected. If the effort that had gone into this one basket of eggs had gone into total global trade, we would be in a much better position today and for years to come.

Why did the Government allow Americans to bid freely on Canadian contracts in the small business set-aside program, for example, without gaining free access to the American market for Canadians? Government Members are going around saying that they have that access.

Returning to the issue of the north-south pull, factors in the southern states such as lower labour costs, fewer unions, and lower employee benefits have contributed to an exodus of manufacturers from the northern states. The same pull is occurring in the United States itself. Between 1973 and 1980, employment in the manufacturing sectors of Michigan, New