

Canada-U.S. Free Trade Agreement

process with Canadians to determine the best option available to us.

Yes, Madam Speaker, there has been extensive consultations with Canadians. Although there are some who pretend that Canadians have not been consulted on this trade agreement, the facts indicate that the consultation process has been moving forward for almost four years. As a front row player, I am proud to have been part of this Government's extensive consultation process with the Canadian people. Never in the history of Canadian trade negotiations were so many people involved in examining Canada's trade options.

In November, 1984, my colleague, the Minister of Finance (Mr. Wilson) released our agenda for economic renewal. At that time, we clearly stated that:

The Government will examine, as a matter of priority, and in close consultation with the provinces and the private sector, all avenues to secure and enhance market access. This will include a careful analysis of options for bilateral trade liberalization with the United States in the light of various private sector proposals, as well as preparations for and opportunities provided by multilateral trade negotiations.

In January, 1985, I released a discussion paper that was widely circulated throughout the country. The discussion paper set out four main options to deal with our trading relationship with the United States: one, maintain the *status quo*; two, negotiate sectoral or functional arrangements; three, negotiate a framework agreement; four, negotiate a comprehensive arrangement similar in scope to the agreement we are considering today.

Following the release of our discussion paper, I set out across the country and met with the provinces and many groups and individuals from the private sector, unions, the universities, and elsewhere.

However, we were not content in limiting the consultation process to my travels across the country. In 1985, Cabinet approved my proposal to set up both the International Trade Advisory Committee chaired by Walter Light, as well as 15 sectoral advisory committees. These committees were made up of men and women from virtually all major industries and regions in Canada. Many meetings were held to ensure that this trade agreement was based on the most complete information available, and to ensure that Canadians could provide ongoing input during the negotiating process.

I would like to take this opportunity to thank again all individuals who so generously volunteered their time and their energies to this successful grass roots consultation process.

I am very pleased that this consultation mechanism has not been dismantled following the successful conclusion of our negotiations with the Americans. These committees were recently restructured to ensure that there is also meaningful consultation for the second track of this Government's trade policy—the Uruguay Round of multilateral GATT negotiations.

The Prime Minister has stated on many occasions that "gone are the old days of confrontation"; that our Government will listen and consult before acting. These consultations on Canada-U.S. trade were consistent with our Prime Minister's new approach to consultation rather than confrontation.

Rather than continue discussing the many ways in which Canadians have been consulted over the past four years, I will now turn to the second main point that I wish to discuss tonight—why this trade agreement is a good deal for Canadians, and particularly Canadians living in northern Ontario.

I mentioned earlier that Canada as a whole ships about 75 per cent of its exports to the United States. The importance of secure access to the American market is particularly well understood by Ontario residents, because 90 per cent of Ontario's exports are shipped to the United States.

For example, the forestry, mining, and steel industries are three of the most important employers in northern Ontario. All three of these key industries require secure access to the United States and, therefore, will be among the big winners as a result of the dispute resolution provisions in the agreement.

The forestry industry employs about 150,000 people in Ontario, most of whom work in northern Ontario. Over 20 communities in northern Ontario rely on the forestry industry.

In the Algoma area alone, there are seven major sawmill and forest product plants that employ about 1,500 people. These plants export around 90 per cent of their product to the United States. In addition, St. Mary's Paper in the Sault employs 500 people and exports 95 per cent of its paper products to the U.S.

The primary producers in the forestry industry will benefit from the creation of a dispute settlement mechanism that gives Canadians rights where before they had none. The fact that Canadian firms can now appeal adverse determinations by American trade tribunals to an impartial binational body will greatly assist our producers of lumber, pulp, paper, and newsprint.

Likewise, the producers of high value-added forestry products such as some papers, particle board, and plywood, will benefit from the elimination of existing tariffs because their products will become more competitive in their primary market.

Producers of converted products such as windows, doors, and kitchen cabinets also stand to benefit from free trade access to the United States. Most of Ontario's \$5 billion mining industry is located in northern Ontario. Over 20,000 people in over a dozen communities work in the mining industry in the North. Since 75 per cent of its production is exported to the United States, it is easy to understand why the mining industry has responded favourably to the trade agreement.