

*Free Trade**[Translation]*

Mr. Speaker, this Agreement is a threat to rural communities. In March, the Prime Minister (Mr. Mulroney) stated in the House of Commons that the Government was going to "maintain support policies for our farmers and our marketing boards".

Today, we read in *Le Devoir* and other Quebec newspapers that the Quebec UPA is still against the Agreement. I can see why. The Mulroney Government claims it has protected the marketing boards, but eliminating tariffs on processed goods will sooner or later undermine the effectiveness of these boards.

Either the boards will eventually disappear, because the cost of farm products regulated by the boards will be higher than U.S. products which are not so regulated, or the food processing industry—the most important manufacturing industry in Canada—may disappear because it will have to pay more for agricultural products like chicken, eggs and milk than the U.S. industry.

Protecting marketing boards without protecting the food processing industry is ridiculous, Mr. Speaker. If we talk to average Canadians across this country, I am sure we will find many Canadians who have an interest in the Agreement's impact on regional development.

The final text has not removed any of our concerns about a possible dismantling of our regional development programs. The Prime Minister claims this trade agreement would eliminate regional disparity. Not true! An economist, otherwise an ardent supporter of the Mulroney-Reagan Agreement, has refuted this ridiculous statement.

Mr. Speaker, after 200 years of free trade, the United States has yet to eliminate regional disparity. In fact, regional disparity is on the increase. That is a fact. I hope that for once, the Prime Minister of Canada will start being honest about this Agreement. Mr. Speaker, regional development programs are essential to the growth and economic diversification of the Atlantic Provinces, of the remote regions of Northern Quebec and Ontario and of several Western regions. In fact, all regions in this country benefit from these programs. Here again, however, the Americans have won out.

When the Agreement was announced in early October, the Deputy Minister of Finance said we would now have to modify our regional programs to avoid retaliatory action by the Americans. So, in this area as well, our policies are going to be dictated by Washington.

● (1420)

*[English]*

This is not a small point. At the time of the final agreement on the Constitution of 1982 there had emerged in Canada a consensus that we had to build into our modern Constitution something which is in no other constitution in the developed industrial world—a commitment to regional equality. A solid

clause in that Constitution commits us as a people, not to intensify or even leave in existence regional inequalities but to work to eliminate them.

As a Social Democrat, my Party in particular owes, in part, its *raison d'être* to our commitment to dealing with regional inequality. An accord which will impact on a long list of regional development programs in the agricultural sector and regional programs in general and says that we have ultimately to mesh our rules in this important aspect of our national development with those in the United States is not acceptable.

The reality is once again quite different from what the Government has told us. Mr. Simon Reisman took great delight at one time in saying that he had managed to have social policy and regional development policies excluded from this accord. In the early stages he said that the Americans were putting immense pressure on the Government of Canada to include all these programs in the accord. He boasted, as the Government has since, that they did not yield to this pressure, that somehow the Canadian side won out.

That is simply not the case. I have already mentioned one key decision made by the Minister of State for Finance (Mr. Hockin) in this regard within days after the original signing in October. There is also a clause which says that during the next seven years all of these programs will be considered as a type of subsidy in terms of the impact of the trade relationships between the two countries.

These issues have not been resolved. Mr. Reisman himself said that there was immense pressure from the Americans early in the discussions to have all of these included. You do not have to be the slightest bit paranoid to understand that if the United States of America, with more than 10 times our economic strength and profoundly committed as it is to an exclusively free market orientation in the economy, believed in August that all these programs were important for inclusion, it will once again start exerting pressure to put all these programs right back on the agenda as soon as the agreement is signed.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** Mr. Speaker, as leader of a Party which is profoundly committed to building greater, not lesser, equality in Canada, I believe that regional development programs should be designed by Canadians for Canadians and that decisions about them should be made in Ottawa, not Washington.

**Some Hon. Members:** Hear, hear!

*[Translation]*

And what about services? Mr. Speaker, other countries which have signed free trade agreements have excluded, and not by accident, their service sector from such agreements, recognizing the potential threat to their own social and economic programs. The development of our service industries is critical if we wish to preserve independent economic and