

Canada-U.S. Free Trade Agreement

Brampton—Malton represents a large workforce made up of diversified industries as well as large employer industries. It encompasses a large commercial and transport centre, including the Canadian National marshalling yards of Brantford and Pearson International Airport.

With all this considered, the people of Brampton—Malton wish it to be known that they are in favour of the Free Trade Agreement and that they want the prosperity that free trade will bring to them.

The people of Brampton—Malton are not afraid to meet the future. They are not afraid to meet new challenges and to benefit from these efforts. I am proud to say that the people of Brampton—Malton are a fine example for the rest of Canada, for they know that the Free Trade Agreement will keep a bright and prosperous future in sight.

Perhaps the confidence my constituents and I share in the Free Trade Agreement comes from the fact that a deal with the United States is not new to us. Many of my constituents are auto workers, and like myself are card carrying members of the Canadian Auto Workers Union. We are very familiar with another U.S.-Canada agreement, a forerunner of the Free Trade Agreement, the Auto Pact.

That agreement between Canada and the United States successfully provided incentives and safeguards which guaranteed Canada's share of production. That agreement continues to fuel the growth of auto production in Canada. That agreement has not sold Canadians down the river as the NDP and Liberals threatened it would. That agreement is a perfect example of Canada's ability to maintain a strong identity while standing face to face with the largest industrialized country in the world.

Auto trade is essential to Canada's over-all economy. From 1985 to 1987, \$3 billion was invested in auto assembly and parts plants in Canada. More than 140,000 Canadians earn their living directly from the auto industry. Many work for firms that supply auto makers with steel, rubber, textiles, plastic, and glass.

In fact, for Ontario, auto trade with the United States is the province's biggest export, amounting to over \$30 billion per year, some 50 per cent of Ontario's exports to the United States, cars, trucks, auto parts, tires, and trailers make the automotive sector Canada's biggest single business. Much of this prosperity stems from 23 years of success under the Auto Pact.

The opposition Parties would have Canadians believe that the Auto Pact has been weakened. The opposition Parties would have Canadians believe that free trade does not increase access to the U.S. market. The opposition Parties would have Canadians believe that Canada will not be able to adjust to free trade with the United States. By misleading the Canadian public under the thin guise of truth, it is my belief that the opposition Parties have put Canada in jeopardy more so than a trade deal with the United States will ever do.

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The truth is, the Auto Pact and all existing safeguards remain in place. The Big Three must maintain a one-to-one manufacturing-to-sale ratio in Canada in order to qualify for tariff-free imports of vehicles and original equipment parts.

Once the Free Trade Agreement is phased in and the tariffs have been eliminated on products of U.S. origin, the Big Three will have to continue to exceed the safeguard levels so that they can bring cars or parts into Canada from third countries duty-free, a provision worth \$300 million annually and growing rapidly. That means big business for Canada's highly efficient, productive and competitive parts manufacturers. The Free Trade Agreement enhances the Auto Pact. That is what it does.

Another myth which I feel needs to be dispelled is that free trade does not increase access to the U.S. market. The truth is, the Free Trade Agreement is all about improving Canada's access to the U.S. market. The FTA increases the access of Canadian producers to the U.S. market through the elimination of tariffs and non-tariff barriers such as quotas, import restrictions, customs requirements and barriers taxes, and through stricter rules of origin and non-discrimination for goods and services.

It makes that access more secure by imposing further limitations on the scope of U.S. safeguard actions against Canada and by exempting Canada from American protectionist measures aimed at goods of other countries.

It will also ensure the fair and equitable settlement of trade disputes through the creation of a binding trade disputes settlement procedure.

Finally, the Free Trade Agreement will add to the security of access, requiring continued consultation between Canada and the U.S. on the issue of subsidies—