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Department based upon the principle of national treatment. If the wish is to sign an agreement to aid the forestry industry in British Columbia through an ERDA, then that will now be considered an unfair trade practice. If Quebec wants to sign what is called a general agreement on science and technology, then it will now be considered to be against national treatment. The point of the matter is the incredible cost that will ensue from accepting an agreement on trade using the principle of national treatment in a total and complete elimination or reduction of a wide variety of initiatives that we have used over the years to provide for the equal and fair distribution of goods and benefits.

In this regard I would like to give Hon. Members an example that is, perhaps, horrific and which demonstrates most graphically why the present negotiations run against the job interests, the employment interests and the growth interests of Canada. This summer a proposal was put forward by a group of federal and provincial civil servants which was designed to achieve two major accomplishments. The first was with respect to finding a way in which the Province of Ontario could reduce its acid rain emissions by 50 per cent, which the province must do by 1991. The task force said the province has but two choices. It can either introduce very expensive scrubbing equipment into the Ontario Hydro smoke-stacks or bring in western low-sulphur coal from Alberta and British Columbia. The second option has incredible economic benefits. It would create 200,000 jobs and an additional net capital of \$4 billion as opposed to the continued importation of U.S. coal from the Midwest and the necessity to build in expensive scrubbers.

The only policy change which would be required to implement this option would be to write down freight rates. That is a very traditional Canadian way of dealing with the fact that we have big geography. We have special maritime freight rates. We have special freight rates for moving grain to export markets. We recognize that in order to ensure the proper and equal distribution of goods we have to have a freight arrangement which will allow us to move our goods at a competitive level. In this regard I have done some quick calculating. In order to bring in western coal it would cost about \$14 a ton. Over a five-year period the amount of money involved would be \$300 million, which is half of what we pay to move western grain. Some \$300 million over five years to obtain \$4 billion of new capital investment and 200,000 jobs, especially in the depressed regions of British Columbia and Alberta, is not a bad deal. However, the Government cannot carry this out. It says that it has study committees but it cannot do it. It is impossible to carry out because the solution of underwriting freight rates runs absolutely counter to the principle of national treatment. It runs totally counter to providing a special transportation incentive to western Canadian coal producers which is now provided to midwestern coal producers. And the Americans would have a legitimate right to complain. They would say that we are negotiating free trade and taking away their coal markets by giving a writedown in freight rates to western coal producers.

The Government talks about jobs. We are simply throwing 200,000 jobs out of the window because of these negotiations. When Members and Ministers opposite get up and wave their brave documents saying that they will create more jobs I must say to them: "How about those 200,000 jobs in western Canada that you have just blown down the drain? How about the \$4 billion of capital investment that you are throwing away because of these negotiations?" I ask Members opposite to answer these questions. I ask them to tell me how we can bring in a new underwriting of the freight rate to move western coal east for Ontario Hydro and still honour the principle of national treatment that the Prime Minister has put at the centre of his free trade discussions with the United States. I ask Hon. Members to answer that question for the 75,000 workers in Alberta who are unemployed. Tell those people that this free trade deal is a good deal for them. The Government is knocking out of the box one of the most important national initiatives that we can undertake, which is what the country is buying. It is buying a total and complete restriction of action. It is buying the fact that it can no longer at the federal or provincial level take initiatives to respond to economic disparities. These are the types of problems which we face.

Let us now consider the other issues. The Minister has said many times, as have other members of the Government, that the reason we are negotiating is so that we can stop the harassment from the United States on a number of trade issues. However, in the letter which President Reagan wrote to Senator Packwood he said: "We will not change our trade legislation". Clayton Yeutter, the U.S. trade representative, said: "We are not negotiating countervail powers". When the United States signed a free trade agreement with Israel any reference to a limitation on countervail powers was explicitly eliminated. The Government is spending its time in Fantasy Garden. Members of the Government have spent too much time with Bill Vander Zalm in his Fantasy Garden. There is no such thing as a limitation on countervail powers. Of course they will continue. The only measure that really limits the application of countervail is the international trade rules. It is the international trade rules which place the discipline on what countries can use and what they can complain about as being unfair trade subsidies.

The Government is engaging in the big lie. It is saying to the Canadian people: "You allow us to do the negotiations, we will not have softwood lumber cases". Says who? The Americans say that that is not on the table. Ministers say that they will not give away our countervail powers. They say that we will now have a dispute settlement mechanism, something like a trade forum of IJC, except that we all know the way the IJC works. It has no mandatory requirements. It is a body of recommendation. No one is opposed to that, but will it end these harassments? No. The way to stop harassment is to strengthen the GATT, strengthen the international trading system and ensure that discipline is applied, not just because of leverage between the United States and ourselves but because of leverage within the entire international community against the United States. That is the way it works.