

better framework for managing their economic and trade relations.

The agreement provides us with a historic opportunity to open up a new and more prosperous avenue to the most important and prosperous trade relationship in the world, involving as it does \$200 billion a year. The positive aspects of the history of freer trade and the enormous volume of economic analyses have convinced Canada of the benefits of free trade, namely increased economic growth, a higher level of income and higher employment levels.

On November 21st, Canadians gave a second mandate to the Progressive Conservative Party, thereby supporting the Canada—US Trade Agreement.

The agreement provides for the elimination over ten years of all tariffs and other trade restrictions, along with a strengthening of the rules governing trade management.

What does free trade entail for the constituency of Abitibi? Percentage wise, we know that Government, education, social services, and health services workforce is 22.79 per cent; retail sales for Abitibi are 12.33 per cent; manufacturing industries are 11.55 per cent; mining is 10.66 per cent; transportation is 5.30 per cent; construction is 4.73 per cent; forestry, 3.96 per cent, and finally wholesale sales are 3.29 per cent.

Concerning Abitibi, Mr. Speaker, for trade in non-metallic minerals such as cement, sheetglass, claybrick and fiberglass, tariffs never were a significant barrier. That industry competes with American manufacturers and should benefit from the Free Trade Agreement.

In terms of our agri-food products, a more secure access to a wider market, no tariffs on wrapping materials, food ingredients and machinery will help the industry, and access to the American market will inevitably make us benefit from economies of scale and opportunities to enhance specialization.

With respect to first grade meat, we can certainly look forward to higher exports. In other words, the dairy and poultry industries will still be protected through controls over imports and will not be directly affected.

As regards my own riding where pulp and paper is a leading sector, our companies will gain easier and more secure access to the American market and this will open up new development opportunities for economies of scale in manufacturing and more specialized products.

#### *Canada-U.S. Free Trade Agreement*

Canadian firms will be in a better position to produce enhanced-value pulp before exporting it and more promising growth prospects. The transition period will give producers time to adjust to new competitors, and the dispute settlement mechanism will make it easier to solve any trade arguments that might arise.

As far as Abitibi is concerned, we will be able to talk about primary pulp and paper products. Now duty free, the pulp industry will have a more secure access to the American market under a more stable investment climate and with lower investment and production costs.

The newsprint sector is now duty free and will also enjoy lower production and investment costs, which is another way of saying it will find it easier to deal on the American market, another plus factor.

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Producers of specialty papers made from mechanical wood pulp (uncoated) are already internationally competitive and will find new opportunities on the American market. Competition on Canadian and U.S. markets for paper products such as facial tissues and bleached kraft pulp will increase.

The same goes for wood products like structural lumber. Access to U.S. markets is guaranteed by a dispute settlement mechanism and strict standards for the implementation of safeguard measures under the Free Trade Agreement. The elimination of tariffs will enable Canadian producers to become more competitive by lowering investment and production costs.

Exports of wood products such as particleboard, waferboard and veneer panel will increase when tariffs are eliminated. Competition will be stiff in regard to plywood.

Processed wood products: Increased competition in Canada has resulted in the elimination of high Canadian tariff barriers. Products affected include kitchen cupboards, prefabricated houses, windows, doors and wood crates. Some streamlining will be required. The elimination of equally high U.S. tariffs will provide new opportunities for the more efficient producers.

Mr. Speaker, I would have more to say on this subject and on education, health and social services. Government services are not covered by the Free Trade Agreement. All governments are free to set up services in sectors of their choice. The economic growth generated by the Free Trade Agreement will provide a solid financial base and will enable the government to maintain and improve its services.