

Free Trade

you can no longer set prices through government action on any good or deal with supply matters. That clause gives the potential for the United States to insist upon rights of control management over every resource that we have in Canada.

Mr. McDermid: What a crock.

Mr. Axworthy: I ask the Member to read sections 408 and 409.

Mr. McDermid: Get serious. You are living in Disneyland.

Mr. Axworthy: Unfortunately Tory Members cannot read. After watching the Prime Minister in Question Period yesterday, I suggest that he might be well advised to read the agreement. He clearly has not. It might be helpful to read those clauses before he signs the agreement so that he will realize what he is doing to this country.

We are also told that there will be no limitation on the sovereignty of our provinces, that they will not be affected in any way. On page 300 of this final agreement it talks about establishment of monopolies, including Crown corporations at any level. It says that we can set up Crown corporations but must first consult with the United States and then comply with a whole series of conditions as to what they cannot do. They cannot cross-subsidize and cannot have discriminatory provisions on monopoly goods or services.

If this clause had existed in 1867 we would not have Air Canada, the CNR, the CBC, or provincial telephone corporations. We would not have the very institutions and instruments which helped to build this country. We would not have the Canadian Wheat Board. We would not have the institutions which various generations of Canadians have creatively forged to shape and define this country. Under this clause we will no longer have the power to use public instruments and public agencies to serve Canadian interests.

With regard to sovereignty, surely it is a primary right of any Parliament or provincial assembly to say what kind of Crown corporation it is going to establish and what the corporation will do without having to consult with the Americans or meeting a set of conditions.

The Minister said that cultural programs are being supported. Clearly she has not looked at the evidence which was brought forward by groups like ACTRA and various other cultural organizations and artists which say that the agreement retains a pregnant clause called a "notwithstanding" clause which gives the United States the right to retaliate on any future cultural initiative if they think it is not in their cultural interest. How can they say that culture will not be affected? We may have grandfathered what we did in the past, but we have mortgaged what we can do in the future. That is another limitation on sovereignty.

Let us deal with social programs. We have heard denial after denial. The Minister responsible for the Status of Women (Mrs. McDougall) has given several speeches saying that

social programs will not be touched in the agreement. That is not the way it works. The Government should listen to the anti-poverty organizations, the women's associations, and others who say that they will clearly be touched. If the Government is not prepared to listen to that constituency, it may listen to the business community. The Business Council of British Columbia says that of course they will be affected because it is clear that the pressure for harmonization will begin to apply. The pressure which will affect them will not come from the Americans but from our own community.

Our businesses are now faced with so-called competition by a southern state which has no minimum wage, is a right-to-work state, has no health care program, and has no environmental standards. It therefore has much lower input costs. We are trying to compete with them in the making of blue jeans, furniture, or high tech goods. As a result, the first demands will be for lower taxes and to get rid of rules and regulations. In that way we will substantially affect the social and environmental fabric of Canada.

That is to say nothing of the still unanswered problem which was brought to the attention of the committee of the Maquiladora corridor. The Americans now send components into Mexico where they are assembled by cheap Mexican labour then brought back into the United States as made-in-America goods. The Government says that we should not worry about that, that we will have customs inspectors roaming through American factories testing these things.

Does the Government believe that a motor which could go into a 100 different varieties of refrigerators can be tagged and observed if it comes into the Canadian market a year later? If the Government tries to do that it will create a bureaucratic nightmare. However, that will not happen. That is a placebo, an attempt to deal with the problem without any intention of implementation. We will be faced, as American industries are now being faced, with this undercutting of the basic wage standards and social standards of their country.

● (1240)

This week there was a major article in the *New York Sunday Times* in the business page. It was a debate about the impact of the Maquiladora process. The basic outcome was that hundreds of thousands of American jobs are being lost as a result, because quite frankly the large corporations could not give a damn whether they have a factory in Michigan, Ontario, or British Columbia; if they think that they can make a higher profit by having it on the Mexican border, they will do that.

When we talk about the immunization of our social programs, we are living in a fool's paradise. The Government is not telling it straight, it is not being honest or giving Canadians the full and honest set of consequences that they will have to face.

We also have this incredible limitation on areas of investment. We have heard from Conservative spokespersons on the