

Canada-U.S. Free Trade Agreement

This confirms the prediction by New Democrats that business groups will apply pressure to reduce social spending in Canada. But there is one exemption on subsidies. If any government subsidy is "sensitive to the defence of the country" it will be permissible. The result of this exemption may well mean an increased focus on military industries. This is not what the majority of Canadians want for our country.

A former Deputy Minister of Finance recently made other points about the negotiations, as reported in the *Financial Times* of November 28, 1988. I quote the words of Mickey Cohen, a former Deputy Minister of Finance:

We will face greater pressures to harmonize, either because the Americans are asking for it or because our own businessmen are saying, "If we're going to compete, we have to look more like the guys we're competing with. Our cost structures have to be more sound." That all along has been the valid criticism of the responsible people in the Liberals and the NDP. The problem isn't in the four corners of the agreement. It's in the pressures that will come indirectly from it.

It is not just New Democrats who are concerned about this disastrous trade deal; it is health care workers, nurses, older Canadians, teachers, church groups. In fact, a majority of Canadians are opposed to this disastrous trade deal. The Government must listen. This Government must address the deep felt concerns of Canadians.

New Democrats in this place and New Democrats right across Canada will continue the fight to protect our social programs; will continue to push for environmental protection; will continue the fight for fair regional development programs now and after the implementation of this deal.

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): At the outset I should like to congratulate the Speaker of the House on his re-election as Speaker, as well as his re-election as a Member of Parliament. As well, I should like to congratulate you, Mr. Speaker, on your reappointment as Deputy Speaker of this place, an office you discharged so well in the previous Parliament.

I also want to thank the people of Lisgar—Marquette, a new constituency arising out of redistribution, who saw fit to elect me as their representative in the House of Commons of Canada.

It was the fourth time that I sought election to this place and the fourth time that I have been successful. Given that it was a new riding in which I offered myself for election for this Parliament, I want to express a

particular note of thanks for those who supported me in that election.

I believe that I found support among the voters for several reasons. Elections are not simple affairs. People in general pay a lot of taxes to government, which governments use, in turn, to provide more and more services to the people of the country, and elections are held so that people can pass judgment on the performance of government and what it proposes for its next mandate.

• (1900)

There were many issues in the last election. I do not think very many of us would disagree that one of the most important issues, if not the most important, was trade. That is why we are here tonight. That is understandable because Canada is very dependent on trade.

It has been said many times but I think it bears repeating. Roughly 30 per cent of everything Canada produces has to be traded. Agriculture, which is part of my responsibility in this Government and has been my life as a farmer and continues to be, is very obviously part of that. In fact, somewhere between 40 cents and 50 cents of every dollar a Canadian farmer earns comes from trade. Trade is very important to us.

That tells you a couple of things. It tells you first that we produce in surplus, and we have to be thankful for that. Second, when we export that much, it tells you that we better be good at what we do. In fact, we are. We export about 80 per cent of the wheat we grow because it is high quality and because we are reliable suppliers with a good reputation. We export, on average, close to 70 per cent of all the Canola we produce, either in raw form or as oil. We export something like 50 per cent of the barley we produce. We export 40 per cent of the hogs we produce, so you can see from those numbers that agriculture is very dependent on trade.

What this trade agreement with the U.S. does is simply provide us with an opportunity to continue to be able to sell into the largest and richest market in the world on a more secure basis. It is just that, an opportunity. It is not a guarantee. It is not a perfect deal. It provides us with a much better opportunity to continue to sell in that market.

To use Canola as an example, people have talked about the fact that we lose the Western Grain Transportation Act immediately with respect to that product shipped into the U.S. through the West Coast. On the other hand, tariffs on Canola oil going into the U.S. are