

Canada-U.S. Free Trade Agreement

Mr. McDermid: Mr. Chairman, I rise on a point of order. A new Member of the House is trying to deliver his maiden address. We are having trouble with the clocks and that is what the uproar is about. I wonder if there is something that can be done to stop the clocks from running the way they are in order to give the Hon. Member a chance to deliver his maiden address.

Mr. Riis: Mr. Chairman, I rise on the same point of order. I appreciate the generosity of my hon. friend for drawing our attention to the problem with the clocks. Having watched the clocks and noticing how quickly their hands are moving, I would say that if we were to wait for another 15 minutes, it would be time for the next general election. I think we should hold off for awhile.

Mr. MacWilliam: Mr. Chairman, may I say that I appreciate the comments of my colleague from the other side of the House. It does get a trifle difficult with the uproar that is going on, but we try to do our best.

As I was saying regarding the history of free trade debates in Canada throughout the last 100 years, as it was in 1911 it remains today the most important issue that has ever faced the Canadian people. Its outcome will unalterably define the future of this land.

This trade deal is about more than cheaper widgets. It goes much further than a simple reduction in tariff barriers. If it were simply about a reduction of tariff barriers alone, I do not think we would have too much problem with it.

However, in the words of U.S. President Reagan, this deal is a new economic constitution for North America. The Macdonald Commission calls it a leap of faith. The Concerned Citizens for Free Trade call it an attack on the very survival of Canada as a nation. The prophets of free trade promise long-term prosperity and economic growth. Critics warn that Canada in an integrated economy will suffer a period of uneven expansion followed by long-term economic decline.

U.S. Trade Representative Clayton Yeutter summed in up best when he said:

The Canadians don't understand what they have signed. In 20 years they'll be sucked into the U.S. economy.

How can I be more explicit? Those are not my words but the words of the U.S. Trade Representative.

Let us look at what happened in the Maritimes. In the 1860s, Maritimes businessmen who supported the concept of an integrated economy made a gamble in an

attempt to expand profits by harmonizing with a larger market. The collapse of the mass consumer industry in the Maritimes followed, most Maritime businesses failed and almost all the workers were thrown out of their jobs. Branch plants were closed as they became controlled by new, Montreal based corporations.

As a result, the Maritime Provinces were thrown back on their remaining resource industries and a huge wave of emigration and destabilization followed. As Canada prepares to enter a similar economic union with the United States today, it is important and imperative to keep in mind the earlier fate of provinces like Nova Scotia and to remember that the Bank of Nova Scotia does not live there any more.

The Prime Minister has said that free trade will provide lower tariffs and market opportunities. He said that it will protect Canada against future U.S. protectionist measures. He said that it will give Canadian industries increased opportunities to bid on U.S. government projects. These were the Prime Minister's three principal reasons for going into the free trade deal, so let us have a look at these reasons.

The first reason was to secure access. Tariffs will be reduced, but let us recall that 80 per cent of goods already come across the U.S.-Canada border tariff-free. Reductions will only apply to a portion of the remaining 20 per cent. The 15 per cent duty on Canadian softwoods and the remaining tariff on shakes will still apply, so what benefit is it to the lumber industry? Tariff reductions essentially pale beside what could be negotiated through continued negotiations at the General Agreement on Tariffs and Trade.

This comprehensive trade deal was not even necessary in order to reduce those tariffs. U.S. President Reagan has had the constitutional authority since April, 1987 to reduce tariffs with Canada on a bilateral basis without the need for a comprehensive trade deal. If we do not need the trade deal to reduce tariffs, why did we go into this agreement in the first place? Perhaps it was to remove those non-tariff barriers, the U.S. trade remedy laws, which penalize the export of Canadian products. Let us look at that area.

The Prime Minister again promised Canadians that in negotiating the deal these punitive U.S. trade measures would be eliminated. Canadian Trade Ambassador, Simon Reisman, said that the deal would not be worth the powder to blow it to hell if it failed to protect Canadian exporters from future U.S. protectionist measures. The Hon. Minister for International Trade,