

*Canada-U.S. Free Trade Agreement*

achieve a modernization and strengthening to our trading arrangement of something to which 96 nations are a party. Let us be realistic. GATT has been evolving since 1947. How could we amend GATT by ourselves when we cannot cut a deal with our best friends and biggest trading partner within GATT? Come now, who would listen?

The second strategy of the Liberals would be to go after multilateral rather than bilateral agreements. Although this would involve a number of nations, my Liberal friends in Regina estimate that it could be accomplished in the short period of time of two to two and a half years.

We are already doing multilateral and bilateral deals as GATT members. The Free Trade Agreement is a model for GATT. It will help speed the GATT process along. However, how would two and a half years be feasible when some of the decisions taken at the time of the Kennedy Round of negotiations in the 1960s still have not been implemented.

Saskatchewan trades around the world. We are looking to expand those markets, particularly in the Pacific Rim. Our largest trading partner is the United States, followed by Japan. After that our next 10 trading partners, in descending order, do not even speak our language.

Third, and perhaps most significant, the Liberals trade strategy calls for sector by sector trade negotiations consistent with GATT. Unfortunately for Canada, GATT frowns upon sector by sector negotiations. It simply will not permit them. GATT considers them sweetheart deals, and they are simple unacceptable. GATT would not tolerate the Auto Pact today, if it had not previously been negotiated. However, that has been protected by the Free Trade Agreement.

What is the NDP's vision of a trade policy for Canada? Is it a call for monetary reform, again reform of a policy which involves all major nations of the developed world? If we cannot do a free trade agreement, then why would anyone in the world listen to us as the voice of reason when it came to establishing a monetary policy?

Members of the NDP state that they are against free trade. They call for managed trade on a sector by sector basis, like the Auto Pact, consistent with GATT. I have previously commented on what GATT thinks about sector by sector arrangements.

The previous Liberal Leader tried it and the protectionist wall around the United States became strong. That is why the Government initiated the Free Trade Agreement in the first place. Members of the Liberal Party say that we should reduce tariffs multilaterally. That is what we are doing through GATT. We are one of 96 nations which include the United States. However, as I said before, it is an extremely slow process that will not give us special access to the U.S. market. It certainly will not protect us from the omnibus trade Bill and growing U.S. protectionist sentiment. The policy of the NDP would inhibit foreign investment, and discourage foreign corporations from setting up shop in Canada and employing our workforce, ordinary Canadians.

A loss of foreign capital would lead to a further drop in the Canadian dollar, higher interest rates, and ultimately a larger deficit. The Free Trade Agreement will entice foreign companies to manufacture in Canada in order to take advantage of our open and secure access to the huge United States market. Foreign investment in manufacturing means jobs for Canadians.

Finally, the NDP wants us to negotiate through GATT using the GATT appeal process. That is tremendously slow and much more cumbersome than the dispute mechanism currently in the Free Trade Agreement. Even with the Free Trade Agreement we are entitled to us the GATT appeal process over the bilateral Free Trade Agreement approach, if we so wish.

In the past GATT, unlike the Free Trade Agreement, has given Canada no protection or reprieve from being side-swiped in the subsidy war between the United States and the European Economic Community. That war has forced our grain prices through the floor, and deficiency payments to farmers have cost Canadian taxpayers billions of dollars.

I have heard much in the House this past week and throughout the campaign about big business and the role that they play with respect to the promotion of the Free Trade Agreement. If one studies the make-up of the shareholders of many big businesses in Canada, one will find that the major shareholders, to good degree, are pension plans. Those pension plans belong to the average Canadian citizen.

It has been said that there has been no consultation in this process. I have documents that indicate that 59 groups appeared as part of the Saskatchewan Public Consultation Process on Trade Negotiations covering a period from August 6 to August 29, 1986, and October 21 to November 23, 1987. On 20 dates hearings were