

*Canada-U.S. Free Trade Agreement*

That is a difficulty in which Hon. Members opposite are being caught out in terms of their fabrications. They have tried to sell this, on the one hand, as a simple few changes to tariff duties. We have said all along that if it were simply some changes in the tariff duties then we would not be here today. No one would be opposing that. As Liberals we have a far more effective record in bringing down tariff duties than anything the Tories could think of. In the last 40 years the average tariff range was 50 per cent in our trade in goods with the United States. We brought it down by 2 per cent, 4 per cent and 5 per cent, depending on the commodity. That is a pretty good record.

We have had free trade in commodities such as softwood lumber until the Government imposed an export tax on it. We have never had any trouble bringing down tariffs, of carefully managing the ability of Canada to bring down trade barriers around the world. We have been a very successful interlocutor at the GATT meetings to make sure that that happened.

**Mr. McDermid:** What about the Auto Pact?

**Mr. Axworthy (Winnipeg South Centre):** The Minister for the homeless cannot remember the commitments made by his predecessors. Let us talk about the Auto Pact for a moment.

**Mr. McDermid:** The tariff rates came down on the Auto Pact, too.

**Mr. Axworthy (Winnipeg South Centre):** I do not want to take up the time of the House to talk about the impact. The Minister for trade and the Minister for the homeless and other Members opposite have a habit, a bad habit which is sort of like falling hair, of treating the Auto Pact as if it were free trade. It was not. Any fool knows that the Auto Pact that was signed back in the 1960s was not free trade but a managed trade program. It had guarantees built into it. We retain the right to reapply a tariff as a penalty against any U.S. manufacturer who did not live up to the guarantees of that agreement.

Under the Free Trade Agreement we take away the tariffs and the penalties. We give an indication of open hunting to the U.S. North American manufacturers to blow us out of the water any time they want. That is what they call free trade.

Members opposite say that we have debated this for so long and that we have had so many meetings on it. Yet they show total and abysmal ignorance of what is in the agreement and what it can be used for.

In this kind of debate the ability or the willingness to respond with an important series of constructive amendments has been snuffed out. It has been thwarted. We lament that. We mourn that. We see in this agreement not just a series of economic and commercial matters but a fundamental change in the way the country is going to be governed. The agreement takes away the ability of the Government to provide for a way to respond to regional initiatives, new cultural programs and new agricultural requirements. Who knows what the future will bring? We know that the most precious instrument available to Canadians, the ability through their elected representatives in Parliament to take action on their behalf, has been eroded. It has been given away.

If we combine that with the type of decentralization that is going on through the Government's constitutional proposals, and the giving away of programs such as housing and regional development, we see that we are turning the country into a nation of shopping centres. There is no longer any central focus to it. There is no longer any dynamo at the centre to take initiatives to provide for the form of initiatives that are required.

**Mr. McDermid:** What total poppycock.

**Mr. Axworthy (Winnipeg South Centre):** All I can say to the Minister for the homeless is that he has become a motor mouth. If he would only start thinking and stop talking he would be a lot better off.

We have this type of fundamental restriction. That is one of the real dangers of the agreement. It is that it is giving away the substantial ability of ordinary Canadians to participate in decisions that will affect them.

**Ms. Dobbie:** Tell us how.

**Mr. Harvard:** Give her a short lesson.

**Mr. Axworthy (Winnipeg South Centre):** I will give a lesson to the Hon. Member if she wants to know how. Let us start first with the area of foreign investment. It is very important for any country to retain some ability to manage investment flow into its own country. The flow of capital is absolutely essential, and also what happens to that capital.

Any self-respecting country would retain at least the right to intercede if it felt that foreign capital were simply being used as a mechanism for takeover and acquisition, and for stripping Canadian businesses of their technology, research or development. Every country does that. Even the U.S. under its various