

Customs Tariff

groundfish without a response. A 35 per cent tariff was put on cedar shakes and shingles. There was the export tax of 15 per cent on softwood lumber which I see costing jobs in my riding and which has cost jobs in many areas across northern Ontario, and the duties of up to 85 per cent on Canadian exports of potash. There is American trade legislation to restrict access to the American market, tariffs and quotas on our steel exports; the enhancement program for grain exports which is cutting into traditional Canadian markets. Our only enduring response is a duty on American corn for feed purposes.

I do not believe the Government has cemented a trade relationship with the United States because there is the matter of American congressional approval. There is the much more significant matter that it may be possible for a court either in the United States or in Canada to rule that no agreement in the true sense of the word "agreement" has been reached by the signing of this very preliminary memorandum of understanding, as I believe it should be more fairly categorized.

In looking at this so-called free trade deal we are supposed to be seeing the future of Canada, but it is not a Canadian future which the Government is presenting to us.

[Translation]

Mrs. Mailly: Mr. Speaker, I would like to put the following question to the Hon. Member for Kenora—Rainy River (Mr. Parry). He mentioned the situation in 1983. Now he will have to admit that the economy and the situation in the United States have changed considerably since 1983. In fact, we can accurately say that in 1983, when the Right Hon. Prime Minister (Mr. Mulroney) made those comments on free trade, the time was not as favourable nor the need as great, especially since Canadians could not see any pressing need to embark on such an agreement. Would he not agree that the situation has changed a great deal since 1983?

The Hon. Member mentioned the corn market. The situation was not as urgent in 1983. The protectionist laws that the various state assemblies in the United States would like to see passed were not being discussed at that time. It seems to me the situation has changed a great deal since 1983, and that is why it is understandable that at the time, the Right Hon. Prime Minister queried the relevance of such an agreement at that particular time. But would the Hon. Member not agree that the situation is entirely different today?

Mr. Parry: Mr. Speaker, I fully agree with the Hon. Member for Gatineau (Mrs. Mailly) that the context had changed, but I disagree to the extent she would have wanted the House to understand.

Indeed, Mr. Speaker, the industrial structure, the international trade regulation review process which now exists in the United States has been in operation for four years; in other words, since 1983 the Americans have had their major external trade regulation institutions—both institutions and

processes—as well as the possibility of filing complaints before their various tribunals.

In the final analysis, what has happened since 1983 is that there has been a change in the attitude of the United States, of industries to a certain extent, of the American legislators, they have felt increased aversion towards trade, particularly imports.

What is to be noted, Mr. Speaker, is that the Canadian Government has been unable to change this attitude or to convince the Americans that our situation is different. As they say . . .

● (1050)

[English]

The man on the Indianapolis streetcar believes that American external trade is dominated by the Japanese, that it is the influx of Japanese and Asian electronic goods that represents the growing trade imbalance of the United States. That of course is not the reality and this Government has failed significantly to communicate to the United States what the reality is.

The reality, of course, is that it is not luxury products that the United States imports from Canada; it is not things that they could very well manufacture at home or indeed do without. The fact is that the bulk of Canadian imports into the United States, bearing in mind of course that the Auto Pact two-way flow is very significant, are the resource products that American industry requires as its basic inputs.

We are talking about, for example, the humble two-by-four upon which the American construction industry naturally depends. We are talking about such Canadian products as potash, upon which naturally American agriculture is highly dependent. We are talking about such products as newsprint, without the imports of which the American newspapers could not produce those fabulously fat daily and weekend editions of which they are so fond.

I would contend that the Government, in going hell-bent for a free trade deal, has ignored and neglected one of the most basic preparatory measures that I would have considered to be necessary, and that is ensuring that those on the other side are fully informed of the nature of the two-way trade relationship.

It has been said in Canada, and I think correctly, that two million jobs, particularly in the northern United States, depend directly on the production of goods for the Canadian market. What the Government has failed to do, of course, is convince the American public to sensitize the American legislative and decision-making organs to the significance to U.S. employment of that very great benefit to the United States of America, the existence of a purchasing Canadian consumer, a buying Canadian public, a Canadian market that has money to spend on the goods the United States produces.