

This is my final warning

NEW YORK CITY — “Canadians are the world’s luckiest people to have the free trade deal with the U.S.” That’s what a leading Japanese industrialist told me and it pretty well sums up the view of the Canada-U.S. free trade deal that you hear around the world.

Since Canada does 80% of its trade with the U.S. and much of the rest with Japan, it’s worth listening to the words of senior bankers, businessmen and trade officials in our key markets.

• “If the free trade deal is rejected,” says a U.S. senator, Congress is going to jump all over the Auto Pact that gives you guys one hell of an advantage.” Ontario, kiss the good life bye-bye if this happens. Anti-free trader Bob White is going to have a lot of explaining to do to his laid-off union members.

• Canada quietly sells the U.S. defence industry \$2 billion annually of military equipment and components. This is another deal that greatly favors Canada and provides at least 10,000 manufacturing jobs. If free trade is rejected, kiss this goodie goodbye, as well. Most of these jobs are in Ontario, Mr. Peterson.

• “Why would anyone build a plant in Canada,” asks a top Japanese auto executive, “which has only 25 million people? Why not build it in the U.S., which has 260 million?” The bottom line: If free trade is repudiated, the Japanese will slash planned investment in Canada. They will also, I am assured by the highest sources, cut back on existing investments. This means more jobs lost in the auto and electronics industries — a lot more.

• “For us,” says another senior Japanese industrialist, “Canada is the back door into the U.S. market. If we are shut out of the U.S. by high tariffs, we can still get in through Canada.” Yes. But *only* if there is a free trade deal. Without free trade to guarantee Canada’s exports to the U.S., there’s no point to investing in Canada. Better put the money in Biloxie than Barrie.

• “Canadians,” a British trade official told me, “Are acting like whining crybabies. Here they

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have this splendid deal — that favors Canada — and they are still moaning about bogeymen that don’t even exist.”

• “Who’s this John Turner?” a congressman asked me. “Is he crazy or what? Canada got this great deal while we weren’t even paying attention. Now, all the noise that this guy is making is making us review the deal. A lot of people here on the Hill want it rewritten more in the U.S. favor.”

• “Watch the Canadian dollar nosedive to 78¢ if the Liberals win,” predicts a money trader. This means that everything imported, from lettuce to clothing, is going to go up in price. “The dollar will continue to drop after that. We could be looking at a 70¢ dollar.” Yes, but won’t that help exporters? Sure. Let’s try to export cheap Canadian wood to the U.S. just as Congress is imposing new, higher tariffs on our exports.

• “How can we make long-term investments in Canada when its governments keep changing the rules?” asks a Japanese company president. He is quite right. If the Liberals win, the only reliable, growth industry in Canada will be government, paid for by rising inflation and higher taxes.

• “If Canada rejects free trade,” says another senior banker, “The U.S. is going to clobber Canadian exports with higher duties or anti-dumping actions. Then, who will the Canadians sell to? The European markets will be closed to them from 1992 onwards. Maybe they will sell trees to the Russians.” Funny, very funny.

• “Canadians are really nice people,” notes an American businessman, “But they believe everything their politicians tell them. Don’t they understand that you can’t kick sand in the face of your biggest customer, like that Turner fellow is doing?” Apparently not. Like spoiled teenagers who bad-mouth their parents but still live at home in luxury, many Canadians are revelling in anti-American hysteria while enjoying all the rich benefits of U.S. investment in Canada, snug and safe courtesy of the U.S. military and taxpayers.

These are no idle observations. Canadians are wealthy and have all their cushy, beloved social programs precisely and only because Canada makes money by exporting to the U.S. and Japan. Kill the goose that laid this golden egg, as the wild-eyed John Turner proposes, and Canada could well become, as one U.S. newspaper suggested, “A northern Argentina” — a vast rich nation made poor and unstable by crackpot politicians and their harebrained catastrophic policies. Will we have to listen to Pierre Trudeau’s own Evita, John Turner, singing, “Don’t cry for me, Canada?”

Canada’s good friends in the U.S. and Japan are warning us that if the Liberals win, there will be lots of tears to come — for Canada.

Punch



“I don’t know how you can just lie in the sun and read all day.”