

Canada-U.S. Free Trade Agreement

"The administration has no higher priority than the elimination of Canadian subsidies which adversely affect U.S. industries."

If the stated intention of Ronald Reagan is ominous, given what his definition and the definition of people like those in his administration is likely to be, past experience, regardless of the administration in the United States, is equally ominous.

To date every major Canadian regional development program, from stumpage rates for lumber, to unemployment insurance for fishermen, to regional industrial and community development grants, to agriculture and grain transportation agreements, has been cited by U.S. industry as constituting an unfair subsidy.

Simon Reisman, that distinguished Canadian, has said—I exaggerate. He is the former friend of the Leader of the Opposition (Mr. Turner). Mr. Reisman said, concerning the U.S. proposals in this domain, that they were "so onerous that they would have made it exceedingly difficult, if not impossible, to pursue Canadian industrial development programs and particularly regional development programs". Those are not the words of members of the New Democratic Party or of the Liberal Party or of other people opposed to the deal. This is a description of the American attitude coming from someone who is one of the strongest defenders of the deal for the obvious reason that he was the principal negotiator. He said that if the American view had been accepted at the time of negotiations, in effect it would have been devastating for regional development—

Mr. McDermid: That is the difference.

Mr. Broadbent: I ask the Minister to wait for the rest of the argument. That was their attitude going into the negotiations, that it would have been devastating if it had been accepted in this deal. I thought the Minister might agree with that.

Mr. Turner (Vancouver Quadra): So far so good.

Mr. Broadbent: So far so good. That was the attitude going in.

Before I come to the consequences of the deal and where we are going in the next phase, I add the words of the then Deputy Minister of Finance, according to the papers the next Chief of Staff for the Prime Minister's Office, who said just after the deal was signed that as a consequence of the deal—and these are his words and not mine—we would have to change our regional development policies.

While the Prime Minister said during the election debate, and I quote the Prime Minister with pleasure in this context, that Mr. Reisman was instructed not to "accept restrictions on our ability to provide regional subsidies", signing a deal which gave away everything—

and I will come to that in a minute—while at the same time leaving the definition of subsidies to further negotiations is no protection whatsoever for Canadians.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, Mr. J. G. Godsoe is the executive director of the Macdonald Commission. As the Government was wont to say very often during the election campaign, this commission advocated a trade deal.

Mr. Turner (Vancouver Quadra): But not this deal.

Mr. Broadbent: But not this deal, quite correct. But this executive director of that commission actually opposed this deal. He wrote a very interesting article in *The Globe and Mail*, not a well-known social democratic newspaper, analysing the potential consequences for Canada of the next phase of the deal. He talked about the real problem of a negotiating team from Canada, and I use the term "negotiating team" loosely, meaning our salesmen who went down there and gave the ship away, having made all the concessions to get a signature on a deal of any kind, now being confronted with the United States, a country somewhat more populous than Canada, somewhat more powerful economically, and now having to make a case to get them to accept our definition of what a subsidy consists of.

I watched the process unfolding, as did Members of Parliament who were here at the time, of these negotiations leading up to the deal. I have no confidence at all in how we will end up with definitions of subsidies and the implications of that for regional development programs, social policy, and environmental concerns, because I saw this Government do the following. It gave the Americans what they wanted in energy. It sacrificed our pharmaceutical industry. It caved in on films. It in fact gave *carte blanche* to foreign companies to operate here. It in fact gave the ship away already, and I do not trust it to negotiate in the days ahead.

The Minister is obviously somewhat biased toward the other side. He thinks they got something wonderful. I profoundly believe—and a majority of Canadians profoundly believe it—that the Canadian negotiators gave away twice as much as they got in return. There is not much doubt about that. I simply want to say to the Minister: let us set that behind us and consider the future. Whose definition does the Minister really think will be accepted? Even if it is done democratically, I say that the Americans who are 10 times stronger numerically—