

Canadian Trade Policy

complete safeguards. It is quite clear that the United States does not propose to enter into any kind of free trade agreement with Canada in the future that includes even the limited safeguards that now exist in the Canada-United States auto pact; they have made that quite clear. There will be no more safeguards. If we enter into any trade agreement with the United States, we will have to do without that.

Where does the Conservative party stand on this issue? The motion that has been moved is an important one, and I want to know where the great Conservative party stands on this issue. When I heard the hon. member for York-Simcoe open the debate, I thought for a moment that he was going to coin the great and original phrase, "No truck or trade with the Yankees", and use it in the next campaign. But nothing like that was said. If you want to debate an issue, Mr. Speaker, you must know where the different sides stand. If all that is being said is, "Tell us where you stand so we can take pot-shots at you from any direction we want", then that is not debate. That does not do a service to this House or to the Canadian electorate which has to decide how to vote. We have stated our position.

● (1600)

We in this party will not agree to a continental agreement on free trade between Canada and the United States so long as we know that our industry is foreign-controlled and so long as much of that industry will have divided loyalty in any kind of free trade agreement. Over the last number of years we have seen many nations get themselves into difficulty, ours included.

What happens when we get into that kind of difficulty vis-à-vis the United States? The most logical and intelligent thing for the United States to say to its industry, at a time of high unemployment in that country, is that it should keep its production in the United States and concentrate on creating jobs there, instead of running around in someone else's country and creating jobs there. This makes trade and finance impotent in this country because we do not control it. We do not control it, and the government certainly does not make any attempt to control it.

It is fine for the government to move in the direction of free trade. It seems to me the reason they do that—and I know there are people on the other side of the House who have reservations about the consequences of free trade—is that from the government's point of view free trade means it does not have to do any planning or take any decisions, and all it has to do is allow things to drift and somehow or other the market will sort it out.

Free trade is a cop-out. It is a way in which the government refuses to face up to responsibilities and to manage the economy. For that reason, I do not think we can support such measures. Instead, we think there should be a determined effort on the part of the government to bring in a trade policy based on planning and an assessment of the Canadian situation. We also think the government should take some chances and show some courage in making decisions.

[Mr. Saltsman.]

I should like to refer to the *Financial Post* of October 2 and an article under the heading "Break up ITC?". That is a reference to the Canadian Department of Industry, Trade and Commerce. It reads in part:

Decisiveness, not more money, is what the Department of Industry, Trade and Commerce in Ottawa needs. That was what Jean Chrétien told FP last week, just after taking over as minister.

Some hon. Members: Hear, hear!

Mr. Saltsman: My friends on the opposite side applaud, and so they should if it were true. If it were true, I would applaud myself. The point is that it is not true. There is no evidence that the minister—and I know he is a very determined minister and a very intelligent man—is really in a position to break out of that box in which every Minister of Industry, Trade and Commerce has found himself.

About the only decision which seems to be coming from the government side of the House regarding matters of trade is a decision not to take a decision. What has the government ever been decisive about, or what has it been decisive about recently? It has been marching backward. It has not come out with any real measures. Sure, there have been some changes in support programs for industry—but that is not where the problem is: the problem is that we have to tackle the question of trade from the over-all approach of the whole economy, and there is no evidence that that is being done.

Let me give an example of the kind of circuitous events which take place where you start off at one point, go around the circle and wind up right back where you started, no wiser and no further ahead. The government starts off by saying it has to keep interest rates high in order to cover the trade deficit which has developed and to bring in capital in order to go ahead, very often with natural resource projects. The consequence of that is that the value of our dollar starts to rise. The value of the dollar is unnatural. There is no way the Canadian dollar is worth its present \$1.03 vis-à-vis the United States dollar, and the government knows that. The consequence of the first action is that the dollar will rise. In order to keep that dollar high, the interest rates are kept high and we tend to price ourselves out of international markets. Our over-all productivity is not so great.

When I talk about productivity I am talking about not only the price of labour but also the way labour is combined with resources and the quality of management as well as the type of industrial structure we have which is often far more important than the actual price of labour. We are pricing ourselves out of international markets as a result of the high dollar and high interest rates. So we do not go on restructuring our industry, because it is very difficult to do that. First of all the government does not have an industrial strategy, and when one asks the government for its plans on industrial strategy it pooh-pooh's the idea that you can do such things and plan the over-all economy. The government says it has a sectoral strategy, that it has something going for the furniture industry, and that it has something going for the textile industry. Often they are in conflict with each other—but that is called a