

Canadian Trade Policy

clear that this country is heading toward free trade with the United States. I think free trade with the United States is a misnomer. Free trade is generally associated with trade in international circles and I, for one, as a member of a democratic socialist party, am not opposed to international free trade.

Mr. Baker (Grenville-Carleton): I rise on a point of order, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member for Grenville-Carleton (Mr. Baker) is rising on a point of order.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise not in any facetious or light manner, and I know that this would be the concern of the hon. member for Ottawa Centre (Mr. Poulin). It has been the practice in this House, on opposition days and during the course of general debate, to have at least two ministers of the Crown present. There is none now. I see one just coming in. I hope that the parliamentary secretary will make arrangements to have the proper complement of ministers in the House, in accordance with our traditions.

Mr. Goodale: Mr. Speaker, on that very point, the House leader for the Conservative party will, I am sure, have noted that during the course of this debate—which has been going on now for about 45 minutes—various members of the cabinet have indeed been present to listen to the contributions that have so far been made. Ministers will continue to be present throughout the afternoon to listen to what transpires.

Mr. Saltsman: Mr. Speaker, I hope you will take account of these interruptions when looking at my time. In some ways I was not unhappy to see ministers out of the House while the hon. member for York-Simcoe was speaking because, as confused as ministers may be, I do not think they were particularly enlightened by the comments that were made. So I would sooner have them somewhat less confused than they are now.

I was saying that it seemed to me we were heading in the direction of free trade. When the hon. member for York-Simcoe says there is no consultative process going on in this country regarding trade matters, I think he is not completely aware of the enormous influences that exist at the moment in terms of consultation in government circles on continentalism with the United States. This is the other point I am making, which is a separate concept from free trade. Free trade with the United States works out to continentalism. Free trade with the United States only means that we are cutting ourselves off pretty effectively from the rest of the world, as has been demonstrated by some of the limited free trade agreements that have been arrived at between Canada and the United States.

If you look at the composition of committees in this country, like the Canada-U.S. committee, the C. D. Howe committee, the Economic Council, you find a number of token labour people on them; but by and large they are composed of the captains of industry, the people who are running the branch plant economy in this country. These are the people who are

constantly giving the government advice and moving in the direction of the reinforcement of free trade in this country. I would not object to free trade if Canadian industries and companies were independent and our industry was strong and Canadian. But Canada has the highest level of foreign ownership of any country in the world. Many of our industries take their directions from across the border.

So what are we talking about when we speak of free trade? We can look at a number of examples in order to see what are the possible consequences of free trade. We are told that some commodities will come down in price, and that is true. But what about the principal concern of Canadians, that of opportunity for useful employment and for employment generally? There are a couple of questions to examine here. One area where there has been free trade for a long time now is in agricultural equipment. What has been the consequence of free trade in this area? Has it increased employment in Canada? Has it brought technological plants to this country? I am talking about Canadian companies such as Massey-Ferguson. The consequence has been a concentration of all new plants in the United States, and what has been left for Canada is the labour-intensive part of the operation.

A number of years ago, faced with a labour dispute, the Canadian people were affronted by the Massey-Ferguson company which stated that the only reason it was continuing some of its operations in Canada was that our wage rates were lower than those in the United States. All of the highly technical and automated operations were moved out to the United States and new tractors were constructed there. The tractor assembly plants and combine plants which required a lot of manual input remained in Canada. The company then stated that if the workers in Canada demanded parity with the workers in the United States, there was no point in their keeping the plants in Canada. So it seems to me that inevitably free trade means that we in Canada will have to accept a permanently lower standard of living for most people than that of the United States.

Free trade also means that when a country like Canada, which over the years has tended to be an exporter and developer of natural resources, is coupled with a country like the United States, which has a highly sophisticated manufacturing industry, what will be traded will be our raw materials for their manufactured goods, but at an accelerated rate. Trade, in itself, is not necessarily a good thing. If you trade down, or trade badly, obviously you do not get a good deal. The whole point of trading is to get some benefit from it.

When you exchange irreplaceable raw materials, as we have in the past with gas, oil, iron ore and copper, the result is that these products are not so readily available and cost far more than otherwise would be the case. I do not blame the United States for this sort of thing, nor do I say this with any rancour against the United States. They are pursuing their best interests and they expect us, as intelligent people, to pursue our own best interests. But they need our raw materials. They do not need our manufactured goods. If our two countries are put together in a free trade package, there would have to be very