

The Budget—Right Hon. Mr. Turner

Mr. Turner (Vancouver Quadra): "You have half of our book publishing industry. There is a drug Bill in Parliament, you do have our lumber. What is next? Tip, you ought to know what is going on, and perhaps you could tell us. What does the United States really have in mind, and what does the Congress and the Senate have in store for us?"

Mr. Wilson (Etobicoke Centre): What do you really have in mind?

Mr. Turner (Vancouver Quadra): Well, I have told you. Let me be very specific for you.

Mr. Wilson (Etobicoke Centre): I hope you will be.

Mr. Turner (Vancouver Quadra): The Minister of Finance is a surprisingly good listener today.

Mr. Wilson (Etobicoke Centre): Absolutely. I always listen.

Mr. Turner (Vancouver Quadra): On a trade agreement with the United States, we have a Party view that has been expressed on several occasions, and it meets the consensus of every person in our caucus.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): My personal view is that I do not believe there will be a comprehensive free trade agreement with the United States. I will tell you why. I do not believe that any Canadian Government, and the Government has not been clear about it, can afford to dismantle our agricultural programs, can afford to put the Auto Pact on the table, can afford to sell off our cultural industries, and can afford to abandon our regional economic programs. I know that, my Party knows that. The Government has not come clean and told us what is on the table and what is not on the table.

I also say to Hon. Members sitting across the way, led by the estimable Deputy Prime Minister, that any Canadian Government that attempted to yield on the fronts that I have described and others would be politically dead. We are not talking about a comprehensive free trade agreement, we are talking about some type of agreement.

Deep in the psyche and consciousness of every Canadian there is a concern and a worry that the Government is a lousy negotiator.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Government is selling us out. The Government has not got the fibre to work out a good deal. There is a very deep underlying feeling in the country that whatever happens in these negotiations, we want to emerge from them as a country with independence, sovereignty, pride, uniqueness, and a distinctness. I wish to tell the Deputy Prime Minister that we admire our American friends, but we like it here. We are proud to be Canadians, and

we are not going to be party to any agreement that in effect makes us the fifty-first state of the United States.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The United States Congress has given us a warning that they will not yield on countervail. They did not yield on countervail in the free trade agreement with Israel. I have said in the House and elsewhere that any agreement with the United States that did not have some meaningful restriction on countervail would not be worth the paper it is written on. What will we get? I wish to make a prediction. We will receive some type of dispute mechanism from these negotiations. We will receive a joint arbitration board. We will not receive any yielding on countervail. We will not receive any substantive measures. Whatever we get will be far short of the bravado and the blarney of the Shamrock Summit, and it will be far less than a comprehensive free trade agreement. It will be a limited agreement, probably with a dispute mechanism, and the Government will stagger away from the table and cry victory. That is my prediction. I am glad both Ministers are present to hear it.

What will we do in the future? I believe that we need a more focused approach to these negotiations with the United States. We need it within an international cover, and with a central focus. I do not think we are going to get—

● (1310)

Mr. Hockin: Look at the forest and not the trees.

Mr. Turner (Vancouver Quadra): That is exactly what the Hon. Member said, although he said it in more elegant French than I can muster.

There has been tremendous uncertainty caused by these trade negotiations with the United States. Business capital expenditure projections are way down. The Minister will admit that. I think a good deal of the hesitation of business to commit to capital projects, plant or equipment arise from the fact that business does not know where these negotiations are going or what the result might be. Business does not know where to put the plant or when.

Talking about an international outlook, Mr. Speaker, I would have hoped the Minister might have given us his views on some of the risks that affect Canada. We do not have his view on the United States dollar and what it might mean for this country. I wonder, and I think many Canadians wonder, how low that dollar will go. U.S. Secretary of the Treasury, James Baker, has been talking it down. He has been trying to talk it down to make the United States more competitive with Europe, and Japan particularly, to try to work out the trade deficit. He is not succeeding either, because those other countries are lowering their prices or because the so-called J-curve and the delay in working those dollar prices through has not yet taken effect. In any event, we are now at a stage where we wonder how low that dollar will go and I believe we have a vulnerable situation.