

*The Budget—Mr. Garneau*

possible for us in the end, so they say, to recover our full political integrity.

Mr. Speaker, this mistake has resulted in the following compromises: The United States could operate their *Polar Sea* ice-breaker in our waters without our permission or even disapproval.

Also, the Conservatives have abolished the Foreign Investment Review Board.

The Conservative Government has adopted a very conciliatory attitude in connection with Canada's participation in setting up Star Wars technology.

Under pressure mainly from the United States, the Conservative Government has dismantled the National Energy Policy.

Following his Shamrock Summit with President Reagan in Quebec City, the Prime Minister, without previous consultation, without Parliamentary debate, and without consultation with the provinces, has involved Canada in global free trade negotiations with the United States.

Finally, unable to deal with the stubborn attitude of the Americans over the lumber issue the Government backed down. Instead of appealing its case to the GATT tribunal, it has decided to impose an additional 15 per cent tax on all our lumber exports to the United States. It is as though the Mulroney Government had chosen to beat up on the Canadian lumber industry instead of letting Washington do it.

This compromise of our political sovereignty has led to all sorts of consequences.

First, to meet the United States expectations, our country must review its regional development policy for fear of being accused of disloyal competition.

Second, to meet the demands of global free trade, it is compelled to deregulate transportation and trucking industries, to open our regions to American companies and accept *de facto* the principle of increased concentration of our transport industries in the hands of major American corporations.

Third, because of this compromise, Ontario and Quebec have felt the need to review their financial institutions regulations.

Fourth, the Federal Government, leading the way, has announced its own deregulation in this area, so that within the next few years, our brokers are likely to be controlled by the American giants or by some Canadian giant banking institutions.

If we deregulate the industry, if we deregulate banks and financial institutions, if we deregulate transport companies, in short if we let market forces be the sole determinants of our development, do we not run the risk of bringing about considerable change in the pattern of economic activity in Canada? Little by little, will not our pattern of development necessarily adopt a North to South axis? What will become of East-West economic flows? In the conservative perspective of

laissez faire, what will remain of Canada tomorrow as a political entity? What political bond will be strong enough to withstand the economic pressures of market forces favoring North-South flows? Will deregulation result in the American giants controlling an ever increasing part of our economy?

Canadians who live in Quebec and who have fought for Canadian unity are wondering whether they have fought that battle only to see the Conservatives put forward an economic policy whereby the regions of Canada shall see their future as being almost exclusively in the South.

The policy of the Conservative Government is harmful not only in terms of its vision of our relationships with the outside world, but also in terms of fiscal and social policies and in the area of culture. That is because, sooner or later, the conservative postulate which I have mentioned will do away with the most fundamental elements of the Canadian mosaic and the Canadian way of life.

The conservative postulate whereby any and all problems and solutions find their source south of the border has vast repercussions.

What is most distressing is that while the government has set the wheels in motion, inadvertently perhaps, it has no overall plan of action, it has not analysed the consequences and it has not sought from the Canadian people a consensus to move in that direction.

I say to this Government that it had better measure the consequences of its policies before it is too late. I ask this government what kind of Canada it wants to build for the future. Does this government know?

Mr. Speaker, I am not anti-American, anti-French, anti-English or anti anything, I am pro-Canadian, and in raising this problem I am only carrying out my duty as a Member of Parliament who has pledged to defend Canada's interests. If the objective of political integrity for our country is an important value, if being free and independent Canadians means anything, everything else, our policies as well as our attitudes, must follow.

Mr. Speaker, I do not underestimate the extent and the difficulty of the option I put forward. It has great and important implications and involves sacrifices.

However, I am convinced it is an option Canadians have always been aware of and have always accepted as a reasonable price they had to pay to be and remain free and independent citizens. The Liberal approach invites Canadians to meet the North American challenge in a way that differs considerably from what the Conservatives suggest.

For Liberals, the integrity of political sovereignty is a fundamental, unquestionable and non-negotiable value. Because our major premise differs from that of the Conservatives, inevitably our policies and approaches also differ. Hence our cautious approach on free-trade negotiations with the United States. Hence the importance for us of east-west economic links, as well as national policies supported by