

Free Trade

Again, that has absolutely nothing to do with the competitiveness of Canada, the confidence, the zest or determination of Canada. Those are important notions, not merely clichés as the Government has made them.

Governments in the post-war period of this country, indeed most other industrialized countries, have been concerned about having legislation permitting certain frameworks of control and conditions for capital coming in. They made the common-sense judgment that those with dominant economic power are more likely than not to use it for their own economic interest if they are allowed to have their way. It does not take a genius to understand that. I only wish more Conservatives would understand it.

Canada has many vibrant and innovative firms. Our Party is concerned that a larger conglomerate with 10 times the financial resources in the United States, which may not be as competent but has more capital at its disposal, will simply come in and gobble up those innovative firms. They can take all of the advantages developed by the smaller or medium-sized firms in Canada and transfer them to the United States. We in the New Democratic Party do not plan to stand by and let that happen.

I ask Conservative Members of the House in particular, and Premiers as well, to read a study that was released by Statistics Canada a few weeks ago which compares the performance of foreign-owned firms in Canada with Canadian-owned firms in the period from 1978 to 1985. It does not come as much of a surprise to discover that in the comparison of job creation in relation to profits that were made, Canadian firms were outperforming the Americans by a considerable margin in terms of creating jobs here in Canada. That is not rhetoric, that is the reality. I wish Members on the government side would look at their own data.

I want to say a few words about the auto sector. Not only has the Prime Minister, with his propaganda here today, but also many Ministers of the Cabinet and premiers across the country, have tried to persuade Canadians that the Canada-U.S. automotive agreement was an example of free trade. That agreement has had a very positive impact in my constituency as well as many others in Ontario, and has had a great advantage for Canada. They suggest that somehow the New Democratic Party is opposed to this kind of development, which has worked so well in Ontario, taking place elsewhere in Canada.

While I do not want to use the same rhetoric as Mr. Reisman about the big lie, and will forgo some of the historical comparisons he made, I will say that it is an utter distortion of the truth to call the Canada-U.S. automotive agreement a free trade agreement.

Perhaps some Conservative back-benchers do not know the reality because they were not here at the time. However, the classical refutation of that argument is that when the Auto Pact came in, the big three automotive companies had to sign letters committing themselves to a certain level of investment

in Canada. I can say that we would not have the level of investment in my constituency if we had a free trade agreement in 1965. We have the investment today because it was managed trade and because the then Government negotiated, on balance, a good deal for Canada. That is the truth.

• (1440)

If the Tories in particular were interested in talking about the truth on this issue, they could cite my colleagues and myself as having stated that we are very happy in principle to take the model of the Canada-U.S. Automotive Agreement, by and large, and look at different sectors of the Canadian economy wherever we can and bring that into place, precisely because it is a managed trade agreement that has built into it certain guaranteed benefits for Canada. Next time the Tories cite the Auto Pact and cite the NDP, at least for once would they tell the truth?

Some Hon. Members: Hear, hear!

Mr. Broadbent: I wish to talk about another aspect of this deal that the Government has systematically distorted, which is the dispute settlement mechanism. This was the name of the game, as we understood it, when the Government embarked on these trade negotiations. They stated, and I think all Parties in the House agreed with this objective, that what we ought to try to do was to put in place an institution, a mechanism, or whatever we want to call it, that would remove some of the unfair trade barriers that existed in terms of our exports to the United States. There were some concerns from time to time on the Canadian side, but the overriding concern was for us to have free and fair access to U.S. markets.

At the time the Minister for International Trade was quite explicit about the Government's agenda, which was to get rid of all those unfair U.S. laws and unfair countervailing practices. The bottom line was to get rid of those. Some of us were quite sceptical about the possibility of getting rid of those completely, because some of us know something about the powers of the U.S. Congress and the history of the United States. If that was the bottom line that the Conservatives had on their agenda, we said, "Good luck to them". They said that that was really what they were all about. They had to get guaranteed access and get rid of those bad laws. We know that they did nothing of the kind. The tune has now changed. What they want to do is to have a few Canadians on the board who will lend legitimacy in one sense to the interpretation of American law. That is real success!

Even after the delays from October until a couple of weeks ago when we saw the final wording, the whole thing has become even more complicated. The essential principle remains, the U.S. Congress retains its right, whether it is in softwood, shakes and shingles, tubular steel, or pork. Whenever we win the competition, the U.S. Congress retains its right to pass unfair discriminatory law against us. That has not changed. But the newly constituted, latest, last minute, up-to-date tribunal that the Government has negotiated, at the first