

Frankly, I say to the Conservative Government that if it wants to sell us out, it should at least do so in a straightforward, open, and honest way rather than try sneakily to hide and cover up what is taking place. However, perhaps that is too much to ask from the Government.

How should we start to analyse a deal which bears such close resemblance in its rationalization to the Annexation Manifesto of 1849, a deal which has been brought before Canadians with such ridiculous high-handedness and such lack of candour and straightforwardness?

First we must recognize that free trade is an ancient theory. Free trade is something that goes back to David Ricardo. Perhaps it shows us how wise John Maynard Keynes was when he said that politicians were slaves not to existing economists but slaves to now defunct economists whose perspectives do not represent current reality. Much modern thinking in respect of trade in fact starts from very different bases than those David Ricardo started from over 120 years ago.

For instance there is, if the Government had chosen to want to look at it, general equilibrium theories, which are exceedingly complex and use computers to come up with answers that say quite clearly that free trade does not make sense for a country in all circumstances. In some circumstances, yes; in other circumstances, no. It would be much more sensible for a country like Canada, which is so dominated by foreign firms and large multinational corporations, to start from analyses which recognize that fact. We should start from theories of how multinational corporations actually operate, how they put their stress on technology, and how that technology establishes the basis upon which trade is built, not through some kind of open market, but through the multinational corporation itself.

To take just one example, close to 60 per cent of the foreign trade of the United States goes through multinational corporations, not through the open market. That is the basis from which we start. That kind of modern thinking can help to explain the statistics which we see in front of us when we look at reality in 1987, reality which for instance says, as the Government likes to say, "Let's look at the common market and let's look at the European community". The European community is an example of a free trade area which has even gone beyond free trade, as indeed this deal goes beyond free trade.

Let us look at the latest available figures in the quarterly economic review of the Department of Finance. It indicates that France, which enjoys a tremendous access to other markets, has an unemployment rate of 10.5 per cent. Let us take Italy, which also enjoys great access. Its unemployment rate is 10.9 per cent. Let us take the United Kingdom, which also enjoys great access. Its unemployment rate is 11.8 per cent. Then let us compare that with Japan, which has no access. Poor, beleaguered Japan must face the world without having access to any market, and Japan has an unemployment rate for that same period of 2.8 per cent.

### *Free Trade*

That suggests to me that some ridiculous myths have been perpetrated by the Government in respect of trade. It is, therefore, from a different basis that we start from the basis of looking at the realities of the Canadian economy and the fact that we are a small, open economy dominated by international firms, which themselves shape much of our trade and much of our economic development. It is from that perspective that I and our Party start. It is because of that that we think this deal, this sell-out, is such a disaster for the people of Canada, for the ordinary person across the nation, not just because it will cost us hundreds of thousands of jobs—

• (1620)

**Mr. Clark (Yellowhead):** False.

**Mr. Langdon:** —but because it slices—

**Mr. McDermid:** What study does that come from?

**Mr. Langdon:** The Minister of Employment and Immigration (Mr. Bouchard) said, and I heard it on tape, that this agreement could cost us 500,000 jobs. He said it, and he has not been prepared to back off.

**Mr. Clark (Yellowhead):** That is a false attribution.

**Mr. Langdon:** That happens to be reality. Anybody who wants to test it can simply listen to the tapes.

**Mr. McDermid:** Be honest.

**Mr. Langdon:** It is not just because of those hundreds of thousands of jobs that will be lost, but because this deal slices away our ability as a country to influence the decisions of these multinational companies. It also takes away our ability to shape technological advantages for us in the future that will give us trade, not in two years, not in five years, but trade advantages in 10 and in 15 years for our children for the future of this country.

**Mr. McDermid:** That is exactly what it is all about.

**Mr. Langdon:** We have to look very carefully at this deal because it has been built very much on the wrong basis and the wrong approach. When we look at the deal, the first thing that we see—and I say this with sadness and with a real sense of regret—is that the Government did not succeed at all in achieving its basic goal. It set out as its goal exemption from the U.S. trade laws which have hit Canada so hard. It did not succeed in achieving that. I quote, for instance, from the Secretary of State for External Affairs speaking on October 1, when he said:

There has been agreement more or less in principle to the idea of a tribunal. But there has been no agreement on rules that would guide such a tribunal. In our judgment a tribunal without rules would not provide Canada with the kind of guarantees and security that we require.

That is what the Government brought back from Washington. It brought back a deal which does not have within it rules that protect and provide access for Canada on any sort of