

strengthen Canadian ownership of our economy. Particularly troubling and worrisome is that Americans apparently regard cultural industries as ordinary business enterprises. They will therefore be putting intense pressure to change our well-established policies encouraging the existence of Canadian books, magazines, theatre, broadcasting, and film. They will also be pressing us to give up our ability to set our own monetary and fiscal policy. Clayton Yeutter, the U.S. trade representative, has already talked about seeking a higher value for the Canadian dollar. If this happens, it will remove a legitimate Canadian competitive advantage bringing at the same time higher interest rates for our economy.

What about the auto industry? It is central to the success of our economy, along with the forest products industry, I have to add. The auto industry is the basis for jobs for 120,000 automobile assembly and parts workers in Canada, and the basis for the jobs of hundreds of thousands of other workers in related industries.

Studies commissioned by the Conservative Government make it very clear that one of the targets on the U.S. negotiator's agenda could well be the removal of the Auto Pact safeguards that protect thousands of Canadian jobs, and make sure that there is an appropriate high level of Canadian content in cars assembled here. A month after the federal Government study on automotive trade was completed in November, 1985, Clayton Yeutter said:

I do not preclude alterations of the Auto Pact as a result of comprehensive negotiations.

The Conservative Government's conduct of trade policy has been marked by a lack of preparation and incompetent management. The evidence is clear. The Prime Minister, his Minister for International Trade, and his Cabinet, this Conservative Government cannot be trusted to defend and support Canada's best interests when it comes to Canada's sovereignty and its trading relationship with the United States and with the world in general.

I believe that the Liberal Party, the Official Opposition, has a different and a better approach. As our Leader said, "We will look for Canadian solutions to our own and world problems, not just the fifty-first state approach of this Conservative Government."

This means above all that we must stand up for and defend Canadian sovereignty, something the Conservative Government has shown all too little inclination to do. Standing up for and defending Canadian sovereignty must continue to be the foundation for our national policies. These national policies must be aimed at defining and achieving the true potential of Canada. This will not come from this incompetent and wrong Conservative initiative. I call on this House and this country to reject this initiative, as I am sure they are going to do well before the next election and certainly when the votes are counted in that election.

The Acting Speaker (Mr. Paproski): Questions or comments.

Supply

Mr. McDermid: I have a question for the Hon. Member. He is saying that we should not carry on with negotiations with the United States, that this initiative should now be cancelled. His Leader—he is the white-haired gentleman who sits to your right—said that we should carry on. The Hon. Member for Saint-Henri—Westmount (Mr. Johnston) says that we should carry on. The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) is not sure where that Party is going. The Hon. Member said this morning that there was a policy and that he would send it right over to me. He has not done that yet, so there probably is not a policy. That was another of his great speeches that he delivers off the cuff and then gets caught with his proverbial pants down.

I would like to ask my hon. friend from Windsor, who always delivers a delightful political speech full of rhetoric and no positive ideas, why Premier Bourassa, who happens to be a Liberal, is supporting these negotiations. His Leader the other day said that we must carry on with these negotiations. Why is he today advocating that we do not carry on, that we abandon it immediately? Or, is the headline in *The Toronto Star* editorial correct when it refers to: "Having it both ways"? Is that what the Liberals are trying to do?

Mr. Gray (Windsor West): Our Leader has stated very clearly, as recently as last week in a speech to the Empire Club, that we cannot support the Mulroney trade initiative with the United States. In that speech he said that if the talks are to continue, the United States must agree to stop the harassment of Canadian trade through steps like the duty on softwood lumber, and also that there must be a commitment by the United States to drop trade protectionist measures like countervail.

Furthermore, if the Hon. Member is asking me about what our Leader has been saying, I would like him to explain this statement made in June, 1983 by his Leader when he said, speaking of free trade: "It affects Canadian sovereignty and we will have none of it, not during leadership campaigns or at any other time." I do not often find anything to agree with on the part of the present Prime Minister, but what he said at that time in 1983 made sense and still makes sense. I am sorry he is not sticking with that very sound view that he expressed in 1983.

Mr. Caccia: As you probably recall—and this is a question to my hon. colleague from Windsor West—the present Government decided to dismantle the National Energy Program when it took office and, shortly after, the Foreign Investment Review Agency. I would like to ask the Member for Windsor West (Mr. Gray) what he thinks of these two steps that were taken before the trade negotiations were launched.

Mr. Gray (Windsor West): Those decisions by the current Government were wrong on their merits. Apparently the current United States administration did not like those measures. That was a very important reason for the haste of the current Government to dismantle the measures in question.