

respect to Honda, softwood, pork and now steel in a major way.

Has the government given us any hope that under the NAFTA it has found a way to end that trade harassment? As a matter of fact, no, it will not even talk about bringing in a subsidies code to deal with countervailing let alone some new measures and common laws to deal with the question of anti-dumping.

The fifth lesson I hope we have learned is that when we have a free trade agreement there is going to be an international rationalization of investment. We know this is inevitable. The problem is that this rationalization of industry has been mainly outside Canada. More than 50 per cent of our manufacturing sector is controlled by foreigners, mainly Americans. When there is a slight recession or an opportunity to consolidate plants, one is not going to consolidate the American operation and head office into the Canadian branch plant. The opposite occurs. This is going to be a structural problem that not only this government, but succeeding governments, are going to have to come to grips with.

Sixth, I hope we have learned that trade policy does not take place in an economic vacuum. It is one portion of our economic agenda but a very small one when looked at on the whole. For example, this government's high interest rate, high dollar and high tax policies over the past four years have done more to create barriers to Canadian producers than the removal of all the tariffs that have taken place under the free trade agreement. When the dollar goes up 27 per cent from a low to a high of 90 cents, that jump is a far greater barrier than any of the trade tariffs that were abolished.

• (1630)

Finally, the seventh lesson is for us to recognize that trade policy is only one aspect of an industrial policy. What we need is a comprehensive industrial policy that will deal with our ability to compete. We need to integrate fiscal and monetary policies so they work for Canadian producers. We need to get rid of the high levels of illiteracy and innumeracy that make our workers unfit for the plant. We must deal with the 38 per cent drop-out rate in high schools. We must deal with our

declining level of research and development that is less than half that of our competitors and is falling. We must deal with the Mexican challenge. Mexico now produces four times the number of scientists and engineers that Canada does.

If we are going to compete, then these are the real issues and this is why we need a comprehensive industrial policy. This is why trade is not the real issue. This is why the NDP has so far missed the mark in this resolution. There is no way that any intellectually honest or right-thinking person could ever support it.

**Mr. Howard McCurdy (Windsor—St. Clair):** Mr. Speaker, I heard my hon. colleague, whom I respect a great deal under normal circumstances, suggest that what is lacking in the New Democratic Party resolution is a complete industrial policy.

I do not know whether this was noticed but one of the things that is being mentioned by almost all political commentators in this country is the total absence of any Liberal policy at all.

As a matter of fact, the closest the Liberals have come was the amendment introduced by the member for Etobicoke North about how he would have amended the resolution by dispensing with our condemnation of the free trade agreement and the NAFTA. Everything else would be left there.

**Mr. Marchi:** It is not condemnation. You've got the wrong word.

**Mr. McCurdy:** Pardon?

**Mr. Marchi:** That's not so.

**An hon. member:** Read the amendment.

**Mr. McCurdy:** It is so. They are protesting as they usually do. I understand that it said that it should eliminate—

**Mr. Keyes:** Read it right.

**Mr. McCurdy:** This is what I have. I stand corrected. It says they will eliminate that section of the North American free trade agreement and so on but leave in the jobs plan, an infrastructure program, a national child care program and all those things that constitute the core of