

### Supply

The Government has demonstrated that Willy Loman's reliance upon a smile and a handshake in terms of economic relationships between states is no more effective for us in our relations than it was for him as a salesman in Boston.

Before I put on record some very constructive proposals about what we should be doing now, I want to say something first about the general and immediate circumstance.

#### [Translation]

According to me and according to the vast majority of Canadians, the economic facts of the relationship between Canada and the U.S. are as follows. It is clear that both countries are agreed we have a valid trading relationship. In fact, trade between our two countries has now reached a value of \$150 billion annually. It is true that at the present time, Canada has a trade surplus of \$20 billion, and it is clear to us, in this party, and I believe to the vast majority of Canadians, that our trade is in very good health for the time being, but it must continue to prosper in the future. Our two countries accept these facts. We are partners in North America. Nevertheless, we have experienced problems in the past, we are having some today, and we shall certainly continue to have problems in the future. This is perfectly normal when we are talking about relations between two major countries.

Today there are some very serious problems in the lumber industry and in connection with certain agricultural products such as grain. According to us, the Government should take care of these particular sectors right away. It must find a valid way to deal with these serious problems. Instead of spending time and resources on what it hopes will be the long term benefits of free trade, the Government should tackle these very real and serious problems.

They are problems that may trigger a loss of jobs, not in the 21st century but in the very near future.

● (1110)

#### [English]

That ought to be the priority of the Government and in our view it ought to get on with it quickly. Sectors need immediate attention. Instead of furthering our efforts to concentrate exclusively on free trade talks that have embodied in them the acceptance of what can only be called a free trade mythology, we ought to get on with dealing with these very serious problems as they are perceived on both sides of the border.

Making the argument that short run pain will be replaced by long run gain is simply an act of faith. Perhaps what the most creative economist of this century, Lord Keynes, said about the long run is what all politicians should keep in mind: "the only thing certain about the long run is that we'll all be dead." If there is one group we should not turn to for forecasts about the long run and put any great reliance on them is economists. The only thing certain about long range forecasting by economists, left right or centre ideologically, is that they are bound to be wrong. That is the one thing one can say with

great certitude about the great science of economic forecasting.

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** I regret that what really runs at the heart of the Government's argument in private conversation, in public conversation, in debates in the House of Commons, in speeches made outside the House of Commons, in assumptions of the royal commission is this profound faith in free trade, a faith like most such faiths made independent of evidence. This Government is prepared to accept faith in this myth of the force of the market-place as a guarantor for future Canadian benefits. My Party does not accept this mythology at all.

The reality is that no nation in the past or in the contemporary world, save perhaps for the present Government of this country, is really committed to this mythology as a national policy. It did not work in the past, except to obtain dominant economic power. The only people expounding it in the 19th century were Great Britain for the obvious self-serving reason. It was designed to further their economic interests on a global basis. Similarly, those who are expounding the view today in private, in Canada, in business circles or in certain parts of the business community are those who see its self-serving purpose for themselves. It is not something to which our Government ought to be committed.

Nations for very good reasons want to ensure continuation of certain kinds of economic activity. That means we will have now and we will continue to have, not simply in Canada but in other nations, a variety of tariff and non-tariff barriers which will be needed for cultural and agricultural purposes, for regional development programs and for social programs of all kinds. These will be needed to give the shape and substance to what it means to be a nation. There will be, I repeat, all kinds of such economic measures taken by any Government in the world in a number of sectors that have the long-range and the short-range interests of their people in mind.

The Conservatives like to suggest to those of us who have taken what I regard as a responsible nation building position, namely, that we need a variety of economic policies and that we should not commit ourselves to a *carte blanche* free trade in every sector, and this is one of the banal lunacies of the Conservatives, that we should be on the defensive about a rational economic and social development policy, I say it is the Government that ought to be on the defensive about trying to get Canadians to accept such a myth.

While the Canadian Government is caught up with its own self-deceiving mythology of the uniform benefits of free trade, the United States of America is not. I want to say something right now about what is going on in the United States. I hope the events of the last 10 days or so will have caused our Government to do some serious rethinking.

What is going on in the United States, I want to stress in my comments, is at the executive level of the United States