

operation of the agreement. On the U.S. side Congress would undoubtedly be closely involved. It would appear that existing U.S. trade legislation is sufficient to launch negotiations for an agreement with Canada. Congress must, however, be consulted before negotiations are opened and further Congressional approval is required for the agreement emerging from the negotiations, including any necessary implementing legislation. Whether the outcome of the negotiations, in U.S. terms, should be in the form of a formal treaty or an "executive agreement", is discussed below. The objective should be to ensure that a new agreement would receive favourable and rapid consideration by Congress, that it would be durable and stable, and that benefits for Canada would not subsequently be legislated away piecemeal by Congress.

### **The Sovereignty Issue**

It is difficult to see how a new Canada-U.S. trade agreement of the kind discussed above would lead to any erosion of Canada's sovereignty or independence, although it could well lead in the future to a greater harmonization of policies and programs in the two countries in certain areas, for example, those designed to support agricultural prices and farm incomes. Indeed, an agreement which further constrains the use by the United States of trade policy measures that can damage Canadian interests would give new protection to Canadian sovereignty, and not weaken it. Canada would, of course, accept new disciplines over its trade policy, but only in exchange for equivalent constraints accepted by the U.S. government and approved by Congress. In this sense, a bilateral trade agreement of the kind discussed above would be in line with Canadian trade policies and objectives over the past half century. Much of the debate in Canada over the impact on Canadian sovereignty and independence of a trade agreement with the United States appears to reflect misunderstandings of the nature of such an agreement, as well as fears and uncertainties of earlier periods in Canadian history. Moreover, the decision whether or not to enter into an agreement is, in itself, an expression of sovereignty by Canada.<sup>14</sup>

Canada has of course entered into a great many agreements with the United States and other countries not only in trade areas but also in areas such as taxation, transport and communications and environmental pollution. Under these agreements Canada, acting in its own self interest, has accepted constraints on its freedom of action in exchange for the acceptance of comparable constraints by other countries. Also, there can be positive as well as negative effects from constraints on a country's freedom of action under international agreements, for example by limiting policies and programs which may be in place to serve favoured special interest groups, but which may not serve the broader public interest. It is sometimes easier to change such policies, or adopt new policies which serve broader interests, in the context of international agreements.

In any event, both sides may be expected to withhold from full liberalization certain sectors of their economies which are particularly sensitive, or which are regarded as requiring special protection for broad political, economic or social reasons. It is to be hoped these sectors will be few in number, and not selected simply to protect favoured sectors from outside