

The Free Trade Agreement was supported by eight provincial governments. It was also supported by most of the various organizations representing Canadian industrialists and exporters. It was the subject matter of numerous independent studies which highlighted important economic advantages for each and every region in Canada.

In Parliament, free trade was extensively debated. The Standing Committee on External Affairs and International Trade of the House of Commons heard 158 witnesses in 24 days in the autumn of 1987.

The Senate Committee on Foreign Affairs held 43 meetings and heard more than 90 witnesses in 98 hours in November 1987.

Bill C-130 was tabled in May 1988 and debated by the House of Commons and its legislative committee during almost 160 hours over 39 days.

Bill C-2, tabled on December 14, was debated in the other place for 70 hours during a seven-day session with extended hours.

● (1440)

[English]

Honourable senators, the Free Trade Agreement, as the Prime Minister has pointed out, is first and foremost an insurance policy for two million Canadian jobs that now depend on our trade with the United States. All remaining tariffs between our two countries will be removed over a ten-year period. It is true to say that 80 per cent of our exports now enter the United States tariff-free anyway. But the tariff remains on those value-added products, on finished goods, where so many jobs and job opportunities are and where, with the removal of tariffs, there will be increased opportunities for expansion and job creation in Canada.

Canadian consumers and producers will pay less for U.S. products. There will be no more U.S. quotas on Canadian uranium and steel exports, no more import taxes on Canadian oil and gas exports and no more customs user fees on any Canadian exports. Under this agreement we will have a dispute-settling mechanism that provides a shield against U.S. protectionism, whether it be from Congress or the administration. This dispute-settling mechanism is superior to that existing in any other trade agreement now in force in the world. It has attracted the interest of and is the envy of many other countries, including Japan.

There are new provisions in the Free Trade Agreement regarding services, government procurement, business travel and investment. The obvious advantages to Canada flowing from the Free Trade Agreement are sufficient, in my view, to commend it to the support of the Senate. This Free Trade Agreement will place on a more stable and secure basis the largest bilateral trading arrangement in world history. That, it seems to me, is a compelling—even a decisive—reason to support the agreement and to support this bill.

Canada is not seeking to be part of a "fortress North America". We recognize that the world is shrinking, that nations are increasingly interdependent, that business, wher-

ever it is located, operates more and more in an international environment and under the influence of international conditions. The road to world competitiveness for Canada—the road to a world-class Canadian economy—passes through the North American market. The framework provided by the Free Trade Agreement is crucial in order to create the investment and the confidence that is necessary to make Canada competitive globally.

Honourable senators, the other day I saw a statement made by Mr. H. Anthony Hampson, who, for 17 years, served as chairman, president and chief executive officer of the Canada Development Corporation. Writing in his capacity as head of the Policy Analysis Committee of the C.D. Howe Institute on the subject of Japanese-Canadian relations, he states:

This Japanese interest in Canada was stimulated by the Kanao Report, the result of a Japanese economic mission to Canada in the fall of 1986 that was highly complimentary to Canada and its prospects. This report made a worthwhile beginning in shifting Japan's perspective from Canada's resource industries to its high-growth, high-technology manufacturing industries.

Mr. Hampson goes on to state:

The most powerful factor, however, in increasing Japanese awareness of Canada has been the Free Trade Agreement with the United States. While many Japanese jumped rather quickly to the view that this was another inward-looking and protectionist move, others have seen it for what it is: a move by two of the world's greatest proponents of freer trade to show other countries that protectionism is not the only alternative.

In this latter view, Canada can now be a friend of Japan inside the U.S. gate. The Free Trade Agreement will make that friend a stronger competitor, particularly for manufactured products, as secure access to the large U.S. market will provide Canadian firms with longer production runs and lower costs.

It is to the next sentence that I would especially draw the attention of honourable senators:

But the Agreement's most significant impact will be an intangible one—to enlarge the export ambitions and enhance the confidence of Canadian manufacturers.

Honourable senators, Canada remains a staunch supporter of the GATT. We have taken a leadership role in the Uruguay Round; moreover, Canada hosted the mid-term ministerial meeting in Montreal earlier this month. That meeting showed how painfully slow negotiations are at the multilateral level. Progress was made—indeed, agreement was reached in ten or eleven sectors; but this seems to be stalled now because of the deadlock on agricultural matters between the European Economic Community and the United States.

For the purposes of today's debate, and especially in the light of discussions of the Free Trade Agreement during the election campaign, I think it is important to note that the Free Trade Agreement with the United States strengthens Canada's bargaining position under the GATT. In previous rounds of