

what we have gained bilaterally from the U.S. The Europeans, the Japanese and the newly industrialized countries will now have to make concessions to us for improved access to the U.S. and Canadian markets. That improves our bargaining position immeasurably on the issue of improved access to their markets, which is another tremendous advantage to Canadians of the Canada-U.S. bilateral Free Trade Agreement.

I am still optimistic about the prospects for a successful Uruguay round of multilateral trade negotiations, but we have all seen how difficult it is to solve the agricultural conundrum. We all saw what happened in Montreal on the four areas not agreed to. These issues now have to be reviewed again in April in Geneva. We made great headway in 11 other areas, but these are all held up because we cannot get certain countries to consent because there has been no progress in the agricultural trade subsidy area.

There is a chance that the Uruguay round negotiations will fail. Without the Free Trade Agreement we would then be left outside any major trading bloc, knocking in vain at the door. Because of this agreement we have assured ourselves of access to one of the largest and most prosperous economies in the world, the U.S. Without this agreement we would be left defenceless, particularly in the event that the Uruguay round of negotiations were not successful.

**Mr. Harvard:** Fiction.

**Mr. Crosbie:** It is not fiction. If you think this is fiction, you are not fit to govern. You do not want to consider what the possibilities are in the future, you do not want to take action to protect yourself today from what might happen to you tomorrow. That used not to be the Liberal view of things, but the Liberal Party has of course changed immeasurably since I left it and the bottom dropped out of it in 1971.

Free trade with the U.S. is an insurance policy against the worst case scenario. What is that? A global slide into protectionism. That is what the agreement does for us. It helps protect us against the fearsome prospect of the worst case scenario, the Uruguay round fails and we slide into a world of protectionism.

For all those reasons we believe the FTA will benefit Canada, just as the reduction of trade barriers between the U.S. and Canada has benefited us now for 50 years. In 1945, I believe it was, 35 per cent of Canada's exports went to the U.S. Last year it was 76 per cent to 80 per cent. This is not something that occurred under a

Conservative Government. This occurred under many Liberal Governments over many years. In all the years from 1945 until now the Liberal Party was in power except for five or six years under Mr. Diefenbaker, eight months of the Clark Government—

**Mr. Harvard:** A hiccup.

**Mr. Crosbie:** You can call it a hiccup, but it was a hiccup that resulted in the belch that followed under the Liberal Government of Mr. Trudeau. We all know the damage the Trudeau belch did to Canada from 1980 to 1984. The Canadian people certainly quickly regretted the error they made in defeating the Conservative Party of Joe Clark in February, 1980. They soon discovered to their peril and their cost what they had done.

When the Liberal Party got in it had no authority to change the Constitution at all. It had never asked the Canadian people or suggested to them that it was going to cause constitutional revolution. Yet that same Party, with 43 per cent of the vote, now says we do not have a mandate to do anything at all. We have only 43 per cent. The Liberals got into power with 43 per cent of the vote and then changed the Constitution of Canada. Senator Machiavelli Kirby. We all remember that, if we have any memories at all, and how they went about bullying the provinces. They put in the notwithstanding clause. This is their clause which they are now trying to say they no longer support. That Party is the notwithstanding Party. I do not know how anyone can stand them.

We had six years of Mr. Diefenbaker and eight months with Joe Clark, up until 1984. So in the period from 1945 to 1984, almost 40 years, that is when our increase in dependence upon the U.S. occurred. It occurred under Liberal Governments. They adopted policies such as Mr. Trudeau's policy of turning to Europe. What was it called? The third option. Some 65 per cent of our exports went to the U.S. then. The third option did no good whatsoever. The figure on exports to the U.S. now is 76 per cent to 80 per cent.

We are dealing with the situation left to us by many Liberal Governments. Having gotten us in this position they then spend all their time trying to sabotage the solution we achieved to the problems they left us. Instead of trying to be statesman-like and helpful, they try to create uncertainty and ruin the arrangement we have made. We think the Free Trade Agreement will position us better to meet the new realities of international life, whether they involve reduced or increased trade barriers.