

between Canada and the European Community. It did not, however, bring about any significant change in the direction of our trade, which became even more concentrated on the United States. The Third Option implied an internal restructuring of the Canadian economy to reduce our dependence on the United States. This wasn't attempted and probably was too difficult to achieve given the overlapping jurisdictions of the federal and provincial governments.

Now I come to the decision by the Mulroney government to enter into a free trade agreement with the United States. I was out of politics at that time, so I speak as an observer without inside information. What surprised me and many others was the timing of the decision. In the election campaign of 1984, there had been no effort to persuade the electorate to support free trade with the United States. In other words, the government had no public mandate to embark on such a revolutionary course of action. The re-election of the government in 1989 implied retroactive approval, although it is doubtful that a majority of Canadian voters were in favour.

It was certainly consistent with Prime Minister Mulroney's general attitude to the United States, and particularly to the President. He wanted closer relations. A free trade agreement also held out the hope of an end to the uncertainty about future United States trade policy and its effect on Canada. This hope has not been fully realized. I don't think it is necessary to tell this audience about some of the difficulties that have been encountered. The Mulroney government must have been encouraged to go ahead by the conversion of Donald Macdonald, former prominent Liberal minister and colleague of mine whose Royal Commission report advocated a free trade agreement with the United States, and by a similar conversion on the part of Simon Reisman, a former Deputy Minister of Finance, who along, with Gordon Ritchie, became the chief negotiators of the agreement.

I spoke out against the agreement not because I was opposed to free trade; after all, I had spent most of my public life fighting protectionists and zealous economic nationalists. I preached the gospel of freer trade. I was one of the strongest supporters of the GATT. I had led a delegation to Latin America. As C.D. Howe's Deputy Minister I opened trading relationships with the Soviet Union. Later, as Foreign Minister, I negotiated the establishment of diplomatic relations with the People's Republic of China.

Here in Calgary, I should add that I helped to lay the foundations for what is now one of Canada's main exports to the United States, natural gas, by working with C.D. Howe to gain parliamentary approval for the Trans-Canada Pipeline, and later, as Commissioner of the Northern Pipeline Agency, by supporting the pre-build of the Alaska Natural Gas Transportation System (ANGTS). Having in mind that my main activity as Commissioner of the NPA was to facilitate the movement of natural gas to the United States, it is a bit ironic that the reason I was replaced was my public opposition to the FTA.

The reason for my opposition to the FTA is this: Geography tends to favour trade between Canada and the United States in both directions and subjects Canadians to a heavy barrage of political and cultural influences. To maintain our identity we have always had to lean against these Americanizing influences. That being so, I think it is unwise for Canada to give better treatment to trade with our powerful neighbour, the