

Some Hon. Members: Hear, hear!

● (1500)

Mr. Reagan: We recognize that the issues facing us are many and difficult. And just as this proud Parliament is watching our negotiations, so too is the United States Congress. A comprehensive, balanced agreement that provides open trade and investment on a comprehensive basis, an agreement in which both sides are winners—that is our goal.

Augmenting the spirit of the Uruguay trade negotiations, prelude to our economic summit in Venice this June, our free trade discussions here will be a model of co-operation to the world. Mr. Prime Minister, this will be a pioneering agreement worthy of a pioneering people; a visionary strategy, worthy of the elected head of one of the world's greatest democracies. Mr. Prime Minister, we salute you; and I pledge to you now that, for our part, we shall commit ourselves and the resources of our administration to good faith negotiations that will make this visionary proposal a reality.

Some Hon. Members: Hear, hear!

Mr. Reagan: And on this, the Canadian people and the Members of Parliament have my word.

Freedom works. The democratic freedoms that secure the God-given rights of man, and the economic freedoms that open the door to prosperity—they are the hope and, we trust, the destiny of mankind.

If free trade is the lifeblood, free enterprise is the heart of prosperity.

Some Hon. Members: Hear, hear!

Mr. Reagan: Jobs, rising incomes, opportunity—they must be created, day to day, through the enterprise of free men and women. We have had to learn and re-learn this lesson in this century. In my own country, we have witnessed an expansion and strengthening of many of our civil liberties, but too often we have seen our economic liberties neglected, even abused. We have protected the freedom of expression of the author, as we should—but what of the freedom of expression of the entrepreneur, whose pen and paper are capital and whose profits and literature are the heroic epic of free enterprise, a tale of creativity and invention that not only delights the mind, but has improved the condition of man, feeding the poor with new grains, bringing hope to the ailing with new cures, vanquishing ignorance with wondrous new information technologies.

In the United States we have found a new consensus, among members of both Parties, in a reformed tax structure that lowers tax rates and frees the spirit of enterprise of our people. Today, that consensus is broadening as your great free market nation seeks the same path back to the first principles of economic growth through rate-reducing tax reform. We see movements in Germany and Japan, as well, to cut tax rates. But this must be only the beginning; for what is simply

beneficial to us is a matter of the most dire necessity to the nations and peoples of the developing world. And this is the second great example that, together, we offer to the nations of the world in desperate economic need. For the poorer, the more desperate their condition, the more urgently they need the growth that only economic freedom can bring.

We have seen time and again the healing, invigorating effects of economic freedom: tax rate cuts lifted both Germany and Japan out of post-war stagnation and into the forefront of the world economy; low tax rates catapulted the nations of the Pacific Basin out of the Third World, making them major economic partners today.

A recent study prepared for our Government found a direct relationship between the high tax rates and other statist policies of many underdeveloped countries and a cycle of deepening poverty and despair. On the other hand, the study found that countries with low tax rates and free market policies are among the fastest growing in the world, providing improved living standards and increased opportunity for all their people.

We apply the principles of economic freedom at home; we should not export central planning and statist economics abroad. When the Holy Father came to this country, he spoke of the moral obligation of the wealthier nations to share with those less fortunate—it is time to take up that challenge. Both our countries have been generous donors of foreign aid, and that is important.

But our own experience, the experience of this century, has shown that the only effective way to share prosperity is to share the conditions that generate prosperity. History has proven beyond a shadow of a doubt that statism spreads poverty; it is only freedom that begets wealth. Free markets, low tax rates, free trade—this is the most valuable foreign aid we can give to the developing nations of the Third World.

Some Hon. Members: Hear, hear!

Mr. Reagan: These are the weapons of peace we must deploy in the struggle to win a future of liberty for mankind. So many have come to Canada and the United States in hope—let us now give that hope to the world.

Throughout our history our two nations have keenly felt our international responsibilities. Instrumental in founding and maintaining the NATO alliance, through co-operative efforts in NORAD, Canada has taken a leading role in the defence of the free world. Meanwhile, we have co-operated in extending every effort to lessen the dangers of a nuclear-armed world.

Over the past six years, the United States—working closely with Canada and our other allies—has sought to achieve deep reductions in Soviet and American nuclear arms. Thanks to the firmness shown by the Alliance, we are moving toward a breakthrough agreement that would dramatically reduce an entire class of weapons—American and Soviet longer-range, intermediate range, INF missiles in Europe and Asia.