

*Canada-U.S. Free Trade Agreement*

A Liberal Government will take a more active role in building new rights and obligations into the GATT code, and into improving the dispute settlement process. We will work closely with the United States toward achieving our common goal of improving the GATT and widening the jurisdiction of the GATT to include services, and to include agriculture.

We would seek to strengthen the GATT by establishing a management committee of GATT Ministers of Trade which would meet not less than twice a year, and also arrange for closer consultation and co-operation between the GATT mechanism, the mechanisms behind the International Monetary Fund and the International Bank for Reconstruction and Development known as the World Bank for the purpose of improving the management of the multilateral system, of linking the trading, monetary, and aid prospects in one umbrella co-operation.

[*Translation*]

As for the world economy, there is an urgent need for reform. We have witnessed the emergence of new economic powers such as China and Japan as well as the economic rebirth of Europe. In the world today, Japan is the leading creditor and the United States are the leading debtor.

We have to maintain some flexibility in our trade policy to adjust to the new global and commercial economic trends. By signing a rigid trade agreement with the United States, we will be losing our own capacity to adapt to new economic situations.

We are also witnessing the formation of large trade blocks which could rapidly undermine the very principle of world trade without discrimination.

The Third World is sinking ever more heavily into debt and it is quite possible that this debt will never be repaid. Consequently, a major overhaul of international institutions is in order and we have some concrete proposals to that effect: There must be a reform of our trade, monetary, and financial institutions. At present, no such proposal has officially been made either by the OECD or the G-7 Finance Ministers. In fact, we are suggesting a new Bretton Woods where trading nations could find ways of dealing with an uncertain and volatile global market, especially in the highly volatile context brought about by the emergence of new economic powers, such as Japan, China and Europe and by the present policies of the United States.

[*English*]

In just over two months the Americans will elect a new President and a new administration will begin to take over in Washington. When I sit down with them to discuss trade, defence, the environment, our Arctic, or any other issue, I will not begin with the assumption that in order to obtain any agreement in any of those areas we have to surrender our sovereignty.

**Some Hon. Members:** Hear, hear!

**Mr. Turner (Vancouver Quadra):** This has been the approach of the Prime Minister of Canada and those days are

numbered. Our two nations have common goals and objectives. We share a common ecosystem. One of our first priorities will be to ensure that together we protect that ecosystem. American Governments must understand, as more Americans do, that the acid rain and industrial pollution, which are killing our lakes, rivers, and forests, and their lakes, rivers, and forests, must stop. The price of their prosperity should not be the destruction of our environment.

• (1750)

We will negotiate a clean air treaty with a specific timetable for reduction in cross-border pollutants. Our trade policy will be environmentally sound just as it will be economically sound. The Government I lead will work with the new American administration as partners in the struggle to reduce protectionism around the world. We will work with them in international forums in Europe, Asia and with emerging nations around the world, to defend the principles of more liberalized trade and encourage the freer movement of goods between all nations.

We have never been a protectionist Party. We do not view the current situation, the current proposed agreement with the United States, with protectionist eyes. If it would have been just a matter of tariffs and lowering trade barriers and had been limited to trade, we would have said, "Fine, let us look at it very seriously and constructively". But it went beyond trade. It went right into the heart of our ability to determine the type of political, economic, and social country that we want to be.

**Some Hon. Members:** Hear, hear!

**Mr. Turner (Vancouver Quadra):** We are each other's largest trading partner. We will work to solve trade irritants and continue to work for lower tariffs around the world, particularly between Canada and the United States, within those international forums.

Yes, after we have determined the results of the present GATT Round, we will examine again the possibility of establishing managed sectoral arrangements, like the Auto Pact, that has worked so well for both nations.

The Government that I lead will bring all of our trade experts under one roof in a new Department of Trade and Development. In addition to its legislative mandate to assist exporters to expand into newer and bigger markets, the new Department will back up our GATT negotiators to ensure that the GATT rules are followed. Canadian industry and workers will have direct access to the expertise of trade officials, united in one Department, in order to investigate and respond to the possible and fair trading practices of our trading partners and goods coming into our market.

We would have this department report directly and regularly to Parliament on opportunities and difficulties with all our trading partners, including the United States. We would have the department assist Canadian workers and businesses in adjusting to changes brought about by new international competition.