

Canada-U.S. Free Trade Agreement

Some Hon. Members: Hear, hear!

Mr. Mulroney: We on this side of the House prefer the advantages of co-operation to the futility of confrontation. We are proving, as best we can, that co-operation works. The biggest challenge for government today is to manage the forces of change, and that is what we are trying to do.

In the information age ideas are the new currency of power. High tech industries and universities have become the arsenals in the nation's influence. In the nuclear age economic strength is becoming as much an alternative to military power as a basis for it. The proportion of world income generated from the sale of natural resources is declining. Capital has become more mobile, moving literally at the speed of light. Investment funds, the motor of growth, flow where there is political stability and profitable economic opportunities.

For all countries, especially the already industrialized countries like Canada, prosperity depends on the quality and skills of our people in harnessing technology, fostering innovation, and establishing an environment for stable growth. We have in this country world-class industries and world-class financial institutions. Our economy is diversified and strong. In the last four years we have recaptured much of the road lost. We are well equipped to prosper and to manage change if we make the right policy decisions now.

We know from painful experience what happens when we make the wrong choices, when we try to swim against the tide, for example, on energy policy or investment policy, or to resist the global trend toward more open trade. One has only to walk through western Canada from the late seventies to the early eighties to see the devastation inflicted on western Canada by a wrong policy choice in energy. That will not happen again.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We must master change, not run from it. We must meet competition, not hide from it. There is no sanctuary from the difficult realities of the unfolding decades. If properly grasped, Canada's future holds the promise of ongoing economic renewal. If rejected, Canada's prospects can be thwarted and our horizons diminished. Canada's youth has understood this challenge. Our young people are saying no to the attitudes of the 1930s and yes to the opportunities of the 1990s.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The newly industrializing countries are not going to decide that their new prosperity has been a mistake. The Europeans are not going to revert to a pastoral life. Far from it, by 1992 the Europeans will have the largest, most powerful trading bloc that the world has ever known. Australia and New Zealand recognize where their interest lies and are rapidly accelerating their free trade association. So, Mr. Speaker, what is the best prescription for Canada?

[*Translation*]

For anyone ready to listen, to study events and trends and to learn from them, the message has emerged in a persuasive way, with the authority of genuine scholarship and the benefit of real life experience. New challenges demand objective analyses and fresh approaches.

[*English*]

The answers of a generation ago, a decade ago, must be reviewed in light of a rapidly changing world and Canada's role in it. Trade is the lifeline of Canada's prosperity. Trade with the United States, our most valued commercial partner, is the key to a secure economic future for this nation in the next century. Trade abroad means jobs at home here in Canada.

How best do we ensure this reality with the United States? In recent years independent analysis has sharpened the focus and I believe has helped to point the way for all of us. The Senate report on free trade with United States issued in 1982, under the chairmanship of Senator George Van Roggen, said that "the desired restructuring, growth and competitiveness of Canadian industry can best be achieved by the negotiation of a bilateral free trade agreement with the United States".

Some Hon. Members: Hear, hear!

Mr. Mulroney: The report pointed out that it is precisely at the strengthening of the national fabric, both political and economic, that a Canada-U.S. free trade agreement is aimed.

In August of 1985, at a meeting of the U.S. National Governors Association, seven of Canada's ten Premiers called for comprehensive free trade negotiations with the United States and two of the three absent premiers soon thereafter conveyed their support.

The report of a special joint parliamentary committee on Canadian trade relations in 1986 urged "immediate trade discussions with the United States".

Then there was the powerful contribution to our national debate, which I think everyone would acknowledge, by the Macdonald Royal Commission on the Economic Union and Development Prospects for Canada. Over a three-year period from 1982 to 1985, the Macdonald Commission analysed options for Canada's economic future. It heard from hundreds of Canadians, individuals and institutions, held public hearings in 32 cities, in all 10 provinces, and sponsored three-day debates in major centres across Canada. Its research alone fills 72 volumes.

In 1985, the Macdonald Royal Commission concluded that free trade for Canada with the United States would be "a prudent course which will help make us richer and, by making us richer, strengthen the fabric of our country and increase our self confidence".

Some Hon. Members: Hear, hear!