



# Statements and Speeches

---

No. 85/26

## TOWARDS A NEW TRADE AGREEMENT WITH THE UNITED STATES

Statement by the Right Honourable Joe Clark, Secretary of State for External Affairs, to the Foreign Policy Association, New York, November 18, 1985.

Five years ago I spoke to you about the energy crisis and the requirement for both of our countries to co-operate in finding solutions to the problem.

The Canadian government of that day did not heed my advice on that or on other matters — and instead proceeded with what they called the National Energy Program (NEP). That program, involving confiscation and extraordinary government direction of the industry was unpopular in your country and disastrous in mine. One of the advantages of democracy is that unpopular policies can be changed and two weeks ago we celebrated the fifth anniversary of the NEP by ending it.

That program was one of a series of measures which marked an extraordinary Canadian preoccupation with looking inward. The epitaph of that era is that while our competition was adapting we were patriating a constitution. The irony is that we hunkered down behind defensive energy and investment policies at precisely the time Canadian self-confidence and accomplishment were burgeoning. Some would argue that Ottawa's policies created that self-confidence. I believe the opposite. Canada's new self-confidence is significant precisely because it evolved naturally in our people and our regions. It reflects natural maturity not artificial policy.

Part of the commitment of the new government was precisely to replace that sense of Canadian vulnerability and reflect Canadian confidence. In our first 14 months we have replaced the old Foreign Investment Review Agency (FIRA), dismantled the NEP and begun to work the deficit down. Now we are working to have Canada reach outward again and take advantage of our opportunities as a trading nation. We, more than most countries, rely on trade for jobs and growth. Of the seven nations of the Economic Summit, only Germany depends on exports more than Canada. That explains why we pursue so seriously now, opportunities for Canada in bilateral and multilateral trade negotiations.

I recognize that the attention of most Americans and Canadians is focused on Geneva and tomorrow's meeting between President Reagan and Secretary Gorbachev. A testament to United States leadership is the way you have involved your allies in a process whose result affects us all. President Reagan enters the discussions with the full support of the people of Canada and with our prayers.

If peace is vital to all mankind, a healthy economy is essential to maintaining and building a peaceful world. And when times are tough and protectionist wolves are at the door, we need to remind ourselves how important a strong trade performance is to the economic health of both our nations.

In the spring of 1985, at their historic summit in Quebec, President Reagan and Prime Minister Mulroney

---