

Canada-U.S. Free Trade Agreement

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): That report sets forth a clear agenda that allows us to trade with the world without giving away our sovereign right to decide our own future. The essence of the Liberal trade alternative—the Prime Minister can mock it—is to liberalize trade internationally. Our greatest leverage with the United States in developing new markets and expanding new trade opportunities has always come by negotiating internationally. The Liberal trade policy is a five-point program which will give us that leverage by making Canada a strong, dynamic, and sovereign world trader. The five areas are the GATT, the world economy, Canada-U.S. trade, export expansion and enhancement, and global competitiveness.

● (1740)

Beginning with the GATT, from the mid-1930s to the election of the present Conservative Government, the strategic trade objective of every Canadian Government was to increase the standard of living of Canadians by widening trade opportunities, and by obtaining improved and more secure access to foreign markets without putting our national unity or our national independence at risk. The chief vehicle for meeting this objective has always been, and must continue to be the GATT, the world's leading trade organization of over 90 countries.

As a founding member of the GATT, Canada has taken a lead in encouraging all trading nations to play a part in formulating its rules and adhering to its decisions. It is essential to understand the GATT and its great importance to Canada, because it has been through the GATT process that all modern reductions in tariffs between Canada and the United States have been obtained. Most of that was done while Liberal administrations were in power. As a result of past Liberal trading policies Canadian exports today are booming, and in particular exports to the United States. It will be the policy of a Liberal Government to build on that success, to build on that historic process, and not to change course, as the Conservative Government proposes to do. That is the difference.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The supporters of this trade deal argue that in any trading arrangement, whether it be within the GATT or directly with the United States, we have to give up some of our freedom to act. We understand that. But then they go on to argue that since Canada is just a little country with no influence in the world, we are better off to join our economy to that of the United States. That is a "little Canada" argument. That is a "fortress North America" argument. What it overlooks is that while from time to time we may not like certain decisions of the GATT, the nations of

the GATT do not dictate Canadian domestic national policy as this agreement with the United States will do.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Because unlike the Government's trade deal, GATT deals exclusively with trade issues. GATT is a trade mechanism. It does not tell Canada how we should set our own domestic, economic, and social programs. It does not determine or shape our agenda. That is a very important distinction between the international process under the GATT and the pervasive nature of this agreement that goes well beyond being a trade deal.

I said to the Prime Minister, and he repeated it today, that it is "the sale of Canada" Act. The problem is that in bilateral or one-on-one negotiations with the United States, Canadian bargaining power is diminished by two factors. First, Canada becomes what is normally called in international trade language the *demandeur*, the petitioner. We are the ones asking the Americans to change their trade laws. Second, the United States market is 10 times larger than ours. There is little incentive for the Americans to open up their markets to us without getting substantial concessions in return. The Conservative trade deal with the United States is ample proof of that. Even after the Government made concession after concession in energy, in agriculture, in the negotiating process on the definition of subsidy which will reach right into the whole fabric of the country, the primary objective of any trade deal with the United States on a bilateral global basis was not obtained. There was no secure access into the American market, and there was no exemption from American trade law.

We have to aim for something which gives us better access, not only to the United States market, which is vital to us, but to markets world-wide. Our Party favours the GATT. In the GATT negotiations, as opposed to the bilateral negotiations with the United States, the United States becomes like us, a *demandeur*, a petitioner on a wide range of trade issues, some of which we may agree with, and some of which we do not agree with. However, we gain substantial leverage in achieving our trade goals by enlisting the support of like-minded countries within the GATT, leverage that is not available to us in bilateral, direct trade negotiations with the United States.

For example, in the Tokyo Round the United States and Canadian tariffs on dutiable industrial goods were each reduced by six percentage points. Also in the Tokyo Round the United States made a number of concessions that were important and of value to Canada which we could not have obtained on a bilateral basis without providing the United States substantial extra concrete benefits and concessions which would have impaired Canadian independence. That is why we prefer the international mode. That is why successive Governments since the war have kept to the international theatre, because our bargaining position with the United States has always been better that way.