

Will it also be positive for the international trading environment? Of course, promoters of the agreement—obviously, the Government—argue that it will be. I must say that I hope that they prove to be correct.

[Translation]

Unfortunately, Mr. Speaker, because of all the emotion surrounding this debate, opinions become polarized. We cannot afford to let that crucial issue, that national challenge turn into a struggle, which, put in simplistic terms would pit free traders against sovereignty advocates.

[English]

I have reviewed the agreement and as many of the arguments that have been brought to my attention both for and against it. I say to my colleagues with, I believe, a good deal of objectivity, that there is good news here and there is bad news here. First, the bad news is that the agreement is not as good as the Government and its promoters pretend it to be. The good news is that it is not as bad as its detractors claim.

Some of the declarations with respect to the agreement strike me as being almost ridiculous to the extent that I understand the language which is plainly set forth in the agreement.

• (1930)

It seems to me that the question before this House, in deciding whether or not it should support the agreement, is to consider what I called the bad news and to decide whether the free trade agreement and of course the Bill that implements it, but the free trade agreement for all its problems and disappointments, should be ratified.

We all bring a certain bias to this debate. For some it is pure knee-jerk anti-Americanism. For some it is fear that Canada is swimming into the whale's mouth, which was a turn of phrase recently used by John Ralston Saul in an article in *The Spectator*. I have somewhat more respect for that position, but I believe that it is born of inferiority and insecurity, suggesting that Canada needs another ninety-odd GATT partners to bargain effectively with the United States.

New Zealand has apparently been quite successful in its free trade arrangement with Australia. Admittedly, the dimensions are somewhat different, but we are looking at something like five times the population. New Zealand clearly has the better part of that bargain. I have always felt that skilful negotiators in Canada, and efficient industry in Canada, would have enormous advantages in a comprehensive agreement with the United States.

For still others who oppose the agreement there is fear of personal dislocation, job loss, and so on. This fear will legitimately persist no matter how many arguments may be made that Canada and Canadians as a whole will benefit. Adjustment will be very much a part of the implementation of this agreement. It seems to me that the Government has fallen

Canada-U.S. Free Trade Agreement

far short in satisfying those constituencies that the necessary adjustments will be made in a timely fashion.

I have my own preference, Madam Speaker, I will not call it a bias, born of my experience as a Minister of State for Economic and Regional Development in the previous Liberal Government, my role as Minister of Science and Technology, and my own personal contacts with GATT and with our major trading partners at the international level. I believe and I would like to think that my preference which has always been for a comprehensive bilateral agreement with the United States is not born of bias but is born and essentially arises from the appraisal of a number of very salient facts. I am not going to repeat them, because many of them have been repeated *ad nauseam* in the House, and in other places.

We all know the extent of Canada's dependence on international trade. We all know the extent of Canada's dependence on the United States market. Much as many of us may deplore that fact, and we tried to take Canada away from that dependence when I was Minister, that is a hard fact, and also that the United States market is the largest and most significant market for finished goods in the world. I know many who will argue that we should enhance our trade with the newly industrialized countries, the Third World, China, and India. I agree with that, and I see no incompatibility between that posture and a comprehensive agreement with the United States.

I would point out for those who wax enthusiastic about the Peoples' Republic of China that the Gross National Product per head in China, in the range of \$600 per year, gives it a total capacity to consume foreign goods of something in the neighbourhood of Canada's, and perhaps a slightly less domestic market. One must always bear that in mind. Sometimes people get carried away with the fact that we are looking at one billion souls. The fact is that it is their purchasing capacity that counts in terms of international trade.

I also have to point out that we have seen the growth of trading blocks. Much has been said about that. It is very significant, the Macdonald Commission told us, and it is an incontrovertible fact that Canada does not have unfettered access to a market of 100 million people, as do members of the free trade area in Europe, the Economic Community, Japan, and the United States.

Finally, another very salient fact has been the growth of U.S. protectionism. We fought it as best we could during the years when we had the stewardship of the Government and of the country. We were relatively successful sometimes, but not successful at others because the Americans have a wide range of non-tariff barriers, regulatory proceedings, and others which prevent Canadian firms from having unfettered access to the United States. It is absolutely obligatory that the access we have for the products we now sell be secured. Another thrust, of course, is to ensure that that market is enhanced to the extent it can be.