



friends and neighbours – managing the biggest trade in the world – cannot fight protectionism in favour of free and fair trade, who can?

**President Reagan:**

**“I pledge to you now that we shall commit ourselves and the resources of our Administration to good faith negotiations that will make this visionary proposal a reality. And on this, the Canadian people and the members of Parliament have my word.”**

**U.S. Senate Finance Committee Chairman Bentsen:**

**“I think the chances are very good we can work out an agreement.”**

**“We need a truly free trade agreement. . . I support such an agreement. I believe the Senate Committee will support such an agreement.”**

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**PLAYERS AND PROCESS**

*The Canada-U.S. trade negotiations, initiated by Prime Minister Mulroney in September, 1985, are directed by Cabinet. Through its Priorities and Planning Sub-Committee on Trade Negotiations, chaired by the Honourable Pat Carney, Minister for International Trade, the government provides Ambassador Simon Reisman, Canada's Chief Negotiator, with his negotiating mandate.*

*Across the bargaining table sits Ambassador Peter Murphy, Chief Negotiator for the United States. The responsible U.S. Cabinet member is Clayton Yeutter, U.S. Trade Representative. The Chief Negotiators are in the midst of detailed discussions of what could be an historic trade treaty between Canada and the U.S. They have until early October to try to reach a deal each can recommend to his government.*

*The deadline is dictated by the “fast track” approval provision of U.S. trade*

*law which expires January 3, 1988. It requires President Reagan to submit an agreement 90 days in advance to Congress which then has 60 days to deal with it – a yea or nay vote without amendment, a feature of great import to Canada given the protectionist mood of the U.S. Congress.*

*At home only the federal government has jurisdiction to enter into an international trade treaty and Parliament would have to approve any implementing legislation. Prime Minister Mulroney and the provincial premiers have agreed to discuss procedures for approval and implementation should an agreement involve matters of provincial jurisdiction.*

*Canadian participation in the multilateral trade negotiations in GATT is similarly directed and mandated by the government. Ambassador Sylvia Ostry represents Canada in the GATT talks.*

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**CAN WE MAKE A GOOD DEAL?**

We have in the past. There's a long history of mutually beneficial trade agreements with the U.S. They include the Auto Pact and Defence Production Sharing Arrangements. We've been negotiating almost continuously since World War II with our neighbour and other countries to reduce trade barriers. Our experience and that of countries in nine other international free trade agreements under the GATT does not suggest the smaller country loses out.

The government is not taking a gamble on free trade or engaging in a hazardous leap of faith. In the light of historical experience, it is exploring the most realistic course available to sustain and stimulate production and employment in Canada through trade expansion.

Above all, there is a constant awareness of one essential fact: **It has to be a good deal for Canadians, or there will be no deal at all.** 