

Canada-U.S. Free Trade Agreement

Because we live next door to each other, Canadians and Americans have over the years negotiated a wide range of agreements with each other, either on a one on one basis or collectively with others. For example, to protect our essential security interests we both became charter members of the North Atlantic Treaty Organization and of the United Nations. We also forged the permanent Joint Board of Defence in NORAD to look after the special needs of our shared responsibility for North American security.

To promote environmental protection and human health, Canada and the United States are active participants in the United Nations Environment Program and the World Health Organization. We also have bilaterally the IJC and the Great Lakes Water Quality Agreement. Just as we stayed at the table until we achieved a mutually beneficial trade agreement, one that stands, according to the G-7 leaders, as a model to the entire trading world, so, too, will we stay at the table until we achieve a mutually satisfactory agreement that will solve once and for all the problem of acid rain.

Some Hon. Members: Hear, hear!

Mr. Mulroney: As all Members know, the habit of bilateral and multilateral co-operation between Canada and the United States is widespread and longstanding. I think most people, irrespective of where they sit in the House, would agree it has been largely beneficial to us, to our economic well-being, and to the manner in which Canada has surged ahead economically in the world.

Over the years we have negotiated some 200 treaties and protocols and arrangements and understandings with the Americans. Yet we are still here, more Canadian, more confident, and more prosperous than ever before. I believe that years from now the Prime Minister of Canada will stand in this House of Commons and he will be able to say that because of the Free Trade Agreement, Canada, at that time, is even more prosperous, more independent and more sovereign than ever before.

[*Translation*]

Some Hon. Members: Hear, hear!

Mr. Mulroney: Mr. Speaker, all these agreements, multilateral and bilateral alike, protect and advance Canadian interests. They strengthen Canadian sovereignty, for every international negotiation is an expression of sovereignty. The levers of economic management that symbolize sovereignty are not those that lead to protectionism. They are those that promote a strong and

outward-looking economy. Years of experience have demonstrated that policies that discriminate, ultimately impoverish; those that allow the winds of competition to blow, result in prosperity.

The FTA eliminates the tariffs on trade between Canada and the United States, tariffs both Canadian and American, that made Canadians poorer. Throughout the Agreement, the principle is the same, and quite simple: Canadians and Americans will treat each other fairly. But in Canada, Canadians alone will decide how Canadian economic life will be regulated while in the United States, Americans will decide how their economic life will be pursued. The real levers of economic power remain fully within Canadian hands. We can be confident of more open and less arbitrary trading conditions. We will no longer have to go to Washington to plead for special treatment or exemption. We can now rely on the rule of law and a dispute settlement process in which we have an equal voice. Where then is the threat to sovereignty? The answer is simple and very direct, Mr. Speaker; there is none. Our sovereignty will be re-inforced by the dynamic expression of the modern and prosperous Canada which will result from the Free Trade Agreement.

Some Hon. Members: Hear, hear!

[*English*]

Mr. Mulroney: The Free Trade Agreement continues the process of making trade more and more secure. It also provides for continued negotiation or evolution because, as the Minister for International Trade (Mr. Crosbie) and others have pointed out, future negotiations are more than the matter of subsidies. We will continue to work with the Americans to improve the rules and reduce barriers affecting government procurement of goods and services. We will continue to work on more rational industrial and health and safety standards.

We will continue to seek to bring greater order to agricultural trade practices which are so debilitating for farmers across Canada, western farmers and those in the East, who have suffered so dramatically because of trade distorting agricultural subsidy practices adopted at enormous expense by countries in the European economy, and responded to by the United States. These hurt Canadian farmers unfairly.

We want to build a better system to deal with discriminatory cross-border pricing practices. We both want to introduce greater protection for owners of intellectual property, as well as fairer ways to share access to new technology. This Government will pursue