

HOUSE OF COMMONS

Monday, October 5, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

TRADE

CANADA-UNITED STATES COMPREHENSIVE TRADE
AGREEMENT—STATEMENT BY PRIME MINISTER

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I rise to report to the House on the outcome of the Canada-U.S. trade negotiations. I am pleased to inform the House that we have concluded an agreement in principle for a comprehensive trade agreement between Canada and the United States of America.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Mr. Speaker, this is good news for our country, and good news for our people. The agreement responds to our needs and conforms to our requirements. It meets the objectives we set for Canada when we entered into these negotiations.

On September 26, 1985, Mr. Speaker, now more than two years ago, when we formally undertook this initiative I told the House that, and if I may quote from *Hansard*:

Our political sovereignty, our system of social programs, our commitment to fight regional disparities, our unique cultural identity, our special linguistic character—these are the essence of Canada. They are not at issue in these negotiations.

That is what I said two years ago and, Mr. Speaker, this agreement delivers on that pledge exactly.

Some Hon. Members: Hear, hear!

Mr. Mulroney: These vital questions were not and are not affected by the negotiations.

[*Translation*]

On the same occasion, Mr. Speaker, I also said:

“Economics, geography, common sense and the national interest dictate that we try to secure and expand our trade with our closest and largest trading partner”.

Mr. Speaker, we now have this tool that is so essential to our prosperity.

This Agreement reflects respect for the integrity of the Canadian people and a determination to give Canadians a more prosperous future.

We embarked on this initiative with a number of important goals in mind. Our main objective was to conclude a mutually beneficial and binding agreement that would guarantee and expand access to U.S. markets for Canadian exporters and would also have the effect of eliminating trade barriers between our two countries. That is exactly what we have done.

We wanted to make our trading relationship with the United States more secure and more predictable, and the Agreement does that. We wanted a gradual phase-out of tariffs between our two countries, and the Agreement does that. We wanted rules that would regulate the important areas of government services and procurement, and the Agreement does that.

[*English*]

We wanted an agreement that guaranteed fair and impartial application of U.S. trade remedy laws, and this agreement does all of those things.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Experts in the area of international trade have been commenting since yesterday that this is the largest trading agreement ever entered into between two sovereign nations. We have agreed to the following measures that will expand opportunities for Canadian exporters and secure access in the world's largest two-way trading relationship: a phase-out of all tariffs between the two countries by the end of 10 years; creation of a unique dispute settlement mechanism with binding powers, one that guarantees predictable and impartial rules of the trade relationship—this is something that Canada has needed, this is something that Canada has achieved—freer trade in agriculture, wine and spirits, and energy products; enhancement of the Auto Pact; expanded access to purchases by Governments; an unprecedented code to set rules of the game for trade by the services industries; and greater access for each other's investors. Culture and social programs are exempted.

Mr. Speaker, while not perfect, the trade agreement meets our requirements and meets all of the fundamental objectives of Canada. It meets our bottom line. This agreement will open and secure our access to each other's markets. It improves prospects for Canadian manufacturers to produce larger quantities of goods in Canada to ship to the entire American