

Mr. Speaker, Canada can and should have the benefits of both bilateral and multilateral trading arrangements.

Second, the Liberals say they will seek sectoral Free Trade Agreements with the U.S., not a comprehensive Free Trade Agreement as has been negotiated. This is something new, it didn't appear in the Liberal alternative released by the member from Winnipeg-Fort Garry. Perhaps he can explain his conversion between June and August when he speaks in this debate.

The sector by sector approach was tried in 1983-1984. It didn't work. The U.S. wanted to negotiate in sectors where they believed they had an advantage, Canada wanted to negotiate in sectors where it had an advantage. The same problems would face any future attempt at sectoral negotiations, if you could interest the U.S. in the idea at all, which seems very unlikely.

An additional problem is that without special permission from other member states, the GATT doesn't allow sectoral Free Trade agreements between members, only comprehensive agreements, like that we have negotiated with the U.S.

Gerald Regan was Trade Minister when the sector by sector approach was tried and failed in 1983-84. Here's what he had to say last December about that approach and the Free Trade Agreement:

"When I was a member of Mr. Trudeau's government, I recognized the importance of obtaining better guarantees of access to the vital American market...I have come to the conclusion that the present Free Trade project is a more meaningful, courageous and important undertaking...more important than our limited negotiations [in 1983-84]".

The third element of the latest Liberal plan is to emphasize trade with Europe and the Pacific Rim. Who can disagree with that? In fact, this government in its 1985 National Trade Strategy established a major new initiative directed towards the Pacific, including opening new trade offices in Osaka, Shanghai, Bombay and Auckland. Partly as a result, trade with Japan is surging, now accounting for \$15 billion a year. And the recent dramatic rise in our exports to Japan has re-established our trade surplus with that vital trading partner.