

Canada-U.S. Free Trade Agreement

Some Hon. Members: Hear, hear!

Mr. Mulroney: We are proud of that tremendous prosperity in Ontario. We want to strengthen that great prosperity and, by using similar instruments in the process, enable other regions of Canada to grow in similar fashion thereby building a stronger nation for all Canadians.

If there is a link between increased trade with the United States and our quintessential Canadianness, it is that free trade enhances Canadian vitality and ensures the expression of our nationhood. The weight of history and experience, I believe, confirms that basic truth.

Consider the question posed by Newfoundland artist Christopher Pratt:

"If the Newfoundland identity could survive total economic and political integration with another country, why do Canadians see the removal of some remaining barriers to trade with the United States... as a threat to our identity?"

I think the living testimony of the fact that there has been no change in the Newfoundland personality is exemplified every day by the Hon. Member for St. John's West (Mr. Crosbie).

Some Hon. Members: Hear, hear!

Mr. Mulroney: That is a bonus for Canada.

We hear from some that this trade agreement represents a radical turn, a monumental shift in Canadian economic policy, a sharp departure from trade policies pursued in the past. This is simply not the case. The agreement builds on a half century or more of experience in Canada and throughout the world of reducing barriers to trade. It builds on previous bilateral trade agreements dating back to 1935—the defence production sharing agreement, the Auto Pact, and many other bilateral initiatives.

The free trade agreement follows squarely and consistently in that tradition, a tradition that has worked increasingly to Canada's advantage.

[*Translation*]

Mr. Speaker, it is suggested in some quarters that Canada is rejecting the GATT. But essentially the facts prove otherwise. The Free Trade Agreement is fully consistent with the GATT. It discriminates against no country. Barriers are not raised against any other nation. Much of the language and the principles enunciated in the Free Trade Agreement are taken directly from the GATT. Moreover, both Canada and the United States have reaffirmed their existing GATT commitments, rights and obligations and are mutually pledged to advance the goals of the current round of multilateral trade negotiations. Remember as well, that Canada will host in Montreal this December a mid-term review of the multilateral trade negotiations.

Mr. Speaker, I think that it is also a good idea to mention that Canada will host in December, in Montreal, a mid-term conference to monitor the progress made in international trade negotiations. This is an important milestone to ensure progress towards genuine improvements in the world trading system.

There is widespread recognition, as acknowledged at the Toronto Summit and elsewhere, that this agreement offers a model for needed reforms in the GATT. It establishes new frontiers—in services, agriculture, investment, business travel and dispute resolution.

[*English*]

Other critics contend that Canada did not achieve improved or more secure access to the United States market. Let us examine the facts. There are numerous concrete examples in which access has been improved by the removal of all tariffs, by the right of national treatment to prevent U.S. discrimination against Canada, through greater access to American government purchasing, easier entry of temporary workers, to cite just a few.

Mr. Axworthy: That's it. You just did it.

Mr. Mulroney: Equally important are the measures which make our access more secure. New and important constraints have been negotiated against safeguard actions which in the past have allowed the United States unilaterally to impose duties or quotas on Canadian exports.

We all recall Canada's experience with shakes and singles when we were the target, or on specialty steel when we were not the target but we were affected nonetheless. Such action will be against the rules of the free trade agreement between Canada and the United States.

Most significant of all are the dispute settlement provisions which ensure that Canadian exporters are less vulnerable to arbitrary interpretations or capricious applications of U.S. trade law. Exporters, jurists and business people alike are virtually unanimous in recognizing that the dispute settlement procedures under the free trade agreement are superior to those available under the GATT or in any other trade agreement that has been negotiated to date. It is generally acknowledged, I believe, that what has been accomplished in the area of dispute settlement is a triumph for the rule of law in international trade.

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From time to time the Opposition contends that Canadians have not been exempted from U.S. trade laws. I have not, by the way, heard any of them advocating that Canada should give the United States an exemption from Canadian trade laws, which is the mirror image of what they purport to seek for Canada.

This Canadian Government has no intention of allowing Americans, or anyone else, to dump their products in our market, or to take advantage of subsidies to undercut Canadian companies in their own market. Until our laws are replaced by a system of new disciplines, and Canada and the United States have given each other a pledge to work together for five to seven years to create those new disciplines, our laws, the laws of Canada, remain in place to protect our industries and our workers from unfair trading practices.