

*Canada-U.S. Free Trade Agreement*

**Mr. Broadbent:** Right.

**Mr. Mulroney:** But the agreement's main achievement lies not so much in the removal of tariffs or in new rules as in its ability to change attitudes, increase confidence and inspire innovation. The combination of new and better rules and improved dispute settlement procedures will ensure that trade and investment between Canada and the United States become more secure and more predictable. The success will be measured by the confidence of investors, Canadians, Americans and others, to establish new plants in Canada and to modernize existing facilities.

This is already happening as business now gears up for the implementation phase. This agreement provides a more positive framework for change. With it, I believe, we can meet the economic challenges of the next century. As the respected economist, Richard Lipsey, has stated:

If the agreement turns Canadian policy outward, it will have done its job, irrespective of the specific gains that it undoubtedly achieves.

To reject the agreement is to give up major gains on market access and to risk turning Canadian policies in the wrong direction—away from accepting globalization and toward the now obsolete, inward-looking policies of the 1970s.

Canada cannot go back to the prescriptions that were tried and have failed. With this agreement, we can move forward with confidence and pride in our ability to compete and excel among the very best in the world.

[*Translation*]

Mr. Speaker, we have heard, here and elsewhere, some myths and options, and I would like to respond briefly to some of those comments. I readily recognize that the concept of free trade itself troubles some Canadians. I would like to reassure them as much as I can. Free trade is indeed a big step—but in the right direction. We hear fears expressed about a “loss of sovereignty” that “our identity is at risk” or that “our social programs will vanish.” Let history and experience be our guide. Canada is surer of its identity today, Mr. Speaker, than it ever was before throughout its history. Canada's international personality in the global community (especially now with the Commonwealth, the leadership of our Government, the creation of La Francophonie made possible mostly through the cooperation shown by this Government and our admission to the G-7 two years ago) is more mature and we express ourselves more independently than ever in the past. Our commitment and our capacity to protect our economic, political and territorial sovereignty have never been stronger. Our artistic community is flourishing. An officially bilingual nation whose constitutional framework we have recently strengthened and whose linguistic foundation we have recently reinforced, Canada has the significant advantage of participating in two of the world's great languages, and all of this is helping us, not only in our own country, but also abroad.

Our culture, Mr. Speaker, is a unique and rich mosaic of thought, experience and values we acquire from individuals, from every corner of the world. Canadian writers—Robertson

Davies, Michel Tremblay, Mordecai Richler, Antonine Maillet, and Margaret Atwood—have attracted an international audience as never before. Our performing artists—from the National Ballet to Brian Adams, Céline Dion, André-Phillippe Gagnon and great symphony orchestras—have fans throughout the world, and more and more so. This brilliant and progressive affirmation of Canada's cultural influence took place, as trade with the United States expanded, year after year. Similarly, as Canada-U.S. trade grew steadily in importance over the years, successive Canadian governments brought in the Old Age Pension Plan, Family Allowances, National Health Care, the Canada Pension Plan, all uniquely Canadian initiatives. Very soon, this Parliament will pass legislation establishing one of the most advanced child-care systems anywhere in the world. If anything, the prosperity the Free Trade Agreement will bring will make these and other social programs easier to sustain.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** Mr. Speaker, Bernard Landry, who was the Minister of International Trade in the Government of Quebec, a very competent one at that, addressed the question of social programs in the context of free trade, and I quote: “My experience and my background, as well as the Government to which I belonged, all make me very sensitive to social issues, yet I have never seen the slightest evidence that Canadian social measures would be threatened by a free trade agreement. Such a claim does not stand up to rational analysis. Briefly, how would this rational analysis go? He answers: “The American system is not nearly as good as ours and it is a lot more expensive. So why should we change ours to adapt to theirs, when ours is less expensive and better?”

This is an excellent opportunity and an excellent answer given by an expert in economic matters, someone who studied in depth this issue of free trade and its impact on social programs in Canada. Mr. Landry concludes that free trade is likely to assist our social programs, and this is one of the reasons why we support it so enthusiastically and vigorously.

● (1610)

[*English*]

**Mr. Mulroney:** As for sovereignty or identity, I believe a recent editorial in Toronto's *The Globe and Mail* put this important question in perspective. I quote:

No province is more dependent on U.S. markets than Ontario and 50 per cent of Ontario's trade is auto-related—an industry unusually dominated by foreign firms operating under a 23 year old bilateral trade pact (a limited form of free trade).

Is Ontario less Canadian than Alberta or Quebec as a result?

Is Ontario less committed to national independence now than it was before the Auto Pact sewed it so closely to a North American market? Surely not.

The editorial concludes: “But Ontario is obviously more prosperous”. That has been the result of greater trade for Ontario with the United States—prosperity.