

multilateral trade negotiations the most important part of the process was the deal between Canada and the United States. We are the largest trading partners in the world; we are the two countries with the most at stake. Under the GATT rules the deal reached between Canada and the U.S. automatically benefited other countries, whether or not they had made concessions to us. The Free Trade Agreement means that Canada will not have to pay multilaterally for what we have already obtained bilaterally from the United States. The Europeans, the Japanese and the newly industrialized countries will now have to make concessions for improved access to the U.S. and Canadian markets. That increases Canada's bargaining power to achieve improved access to their markets.

Honourable senators, from September 1985, when the Prime Minister announced the government's free trade initiative, to November 1988, when the election was held—and even since the election—the opposition to the negotiations that led to the agreement became ever more strident and extreme. If the Free Trade Agreement went ahead, we were told, Canada would lose its political sovereignty. It would lose its cultural identity. Medicare would disappear; unemployment insurance would go. We would lose our ability to protect our environment. We would lose the right to enact effective regional development programs. Canadian energy resources would be defenceless against the voracious United States appetite.

● (1450)

Honourable senators, four or five years from now, ten or twenty years from now, when we still have our Medicare and our social programs, when our political and cultural identities are stronger than ever, when the sky has not fallen, when the Canadian economy, at the very least, has proven to be a net winner from free trade, these arguments advanced by the opponents of the Free Trade Agreement will look pretty foolish.

**Senator Frith:** "If", not "when". "If" is the word.

[Translation]

**Senator Murray:** We are convinced that the Free Trade Agreement will benefit Canada, just as the lowering of trade barriers with the United States over the past 50 years has benefited Canada.

We believe that this agreement will help us adapt to the new international realities, whether they result in a lowering or raising of trade barriers.

We are convinced that with the other elements of the Government program, Free Trade will help us administer this change for the benefit of Canada; and that is what the Canadian people have again asked the government to do.

[English]

Honourable senators, this is a good agreement and a good bill. This is a good agreement in which Canada, as a smaller partner gaining access to a larger market, is a winner. It places the largest bilateral trading relationship in the world on a sounder basis. As the leaders of the industrialized nations said in their communiqué when they met in Toronto last summer, it sets an example for future multilateral trading agreements. It

[Senator Murray.]

provides the opportunity for Canada to increase incomes, employment and living standards throughout the country and it builds the foundation upon which Canada will prosper and excel in the world of the future.

I have no hesitation in commending this agreement and this bill with great enthusiasm to the support of honourable senators.

**Hon. Allan J. MacEachen (Leader of the Opposition):** Honourable senators, the Leader of the Government alluded to a statement made by the leaders of the industrialized nations that the Free Trade Agreement between Canada and the United States would set an example for the multilateral trade negotiations and would act as a catalyst. I cannot fail to say how wrong they are, because the first important event in the multilateral trade negotiations, namely, the Montreal conference, failed miserably, even though the example had been set by the Canada-U.S. Free Trade Agreement, in the words of the industrial leaders.

No more obdurate opponents to the liberalization of trade in Montreal were there than some of those leaders who paid this tribute to the Canada-U.S. Free Trade Agreement.

**Senator Murray:** Aren't you glad we did not put all our eggs in that basket?

**Senator MacEachen:** Honourable senators, we have heard *ad nauseam* that the conclusion of a Free Trade Agreement between Canada and the United States would constitute a breakthrough and set an example for the multilateral trade negotiations. We have been told that, as the Leader of the Government said, by Mrs. Thatcher, President Mitterrand and the head of the European Economic Commission. We have been told by the President of the United States to get this done and it will be a catalyst. It had its test in Montreal and it failed miserably.

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

**Senator MacEachen:** That is my first point. That has been characteristic of the debate on the Free Trade Agreement. There have been claims and assertions that are not justified and will not be justified by experience.

However, I could not fail to make that point, because I was watching the GATT ministerial meeting to find out whether indeed the new spirit that was alleged to have developed would influence the decision-makers in Montreal. It did not of course, because the divisions between the United States and Europe are so deep that nothing that happens between Canada and the United States has any effect on them. In any event, that is something by way of a more pointed introduction than I had intended originally.

As the Leader of the Government has already told us, we have before the Senate for the second time legislation to implement the Canada-U.S. Free Trade Agreement. It has just been rammed through the House of Commons by a series of closure motions at every stage. Now, in the Senate, we are asked to give expeditious treatment to this bill.