

*Free Trade*

and one made by our trading partner in Japan. We all take national treatment for granted. We have it every day in our lives. National treatment for American goods and Canadian goods in each other's market is confirmed under this free trade agreement.

Another subject covered by the free trade agreement is agriculture. This is very important to Canadians and it is worth noting again that this is the first time that agriculture has been included in a free trade agreement in a major way. I am told by our negotiators that it has eluded us in the GATT for 40 years. For 40 years we have been trying to get agriculture addressed in the international trading system. We are working very hard in the international trading system to do that. In the meantime we have in the free trade agreement more secure access to the U.S. for agriculture and food products. Some examples are meat and livestock, grains and oilseeds, and potatoes.

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One thing which is important in this area is that each country agrees to stop putting up barriers to red meat imports. That is a major strength of the free trade agreement for the agricultural community, not only for red meat producers but also for grain producers. They tell us that the beef industry is a big market for grain, so the elimination of the barriers to meat imports will be a major benefit to Canadians in the agricultural sector.

Another area covered in the free trade agreement is services, trade in services. I think it is worth noting that when the GATT was designed 40 years ago, people thought only in terms of trade in goods. That is why it is called the General Agreement on Tariffs and Trade. It speaks only of goods, but now the fastest growing component of trade in the world is services and we are attempting to deal with it in the multilateral round in the GATT.

In the meantime we have made very solid gains in our free trade agreement by coming to agreement on a code for services. It provides that in the future, and for a variety of service sectors, Canadian service companies operating in the U.S. will get the same treatment from the U.S. Government as U.S. firms get and, of course, vice versa. This will be important to Canadians in the future. It is backed up by temporary business permits which will allow Canadians and Americans to move freely across the border in order to ensure that they can service each other's markets. It is very important for Canadians.

Another subject covered by the free trade agreement is automobiles. Here there are no major changes from the October text. We have always said that the agreement is good for Canada and good for Ontario. We call it the Auto Pact plus, because we have kept in place the fundamental elements of the Auto Pact and we have added provisions which will create new opportunities for production, employment, and other opportunities. For example, one of them is the very high

standard of North American content which is being provided for.

I would like to add here something which people may forget, that the provisions in the agreement were negotiated by Simon Reisman who, of course, was the person who negotiated the main Auto Pact. No one is in a better position to strengthen the Auto Pact than Mr. Reisman. I am reminded of a comment made by a young man in Windsor when I went down to speak there. I was talking with him about the provisions in the free trade agreement for automobiles and finally I asked, "What do you think about it?" He said, "Well, I have never been worried about this, Minister, because as soon as I heard that Simon Reisman was for it I thought it was fine with me because he did a good job the first time around and I can trust him to do a good job the second time around".

**Mr. Murphy:** Is that the highlight of your speech, Pat?

**Miss Carney:** The Hon. Member asks if that is the highlight of my speech. Clearly he has not been listening. The highlight of my speech is to say what is in the free trade agreement, not, as the Opposition concentrates on, what is not in the free trade agreement. If the Hon. Member directs his mind to what I am talking about, it may be possible for him in future to talk about what is in the free trade agreement.

Another provision in the free trade agreement is procurement. We have broadened the provision of the GATT governing the procurement code by lowering the threshold level at which Canadian companies can bid for U.S. Government contracts. This means an additional \$4 billion market in the U.S. for government contracts which is now open to Canadians. That is what we call a tiny perfect package. It is a good start in the procurement area. Canada wanted more, as I have said in the House, but the U.S. was being cautious in this area. We still maintain our defence sharing procurement, but the \$4 billion is a good start for a lot of small businesses in Canada.

In energy we have negotiated the freest possible bilateral trade giving us secure tariff-free access to the U.S. market. We have a commitment to consultation on energy regulatory changes if these are inconsistent with the principles of the agreement. It provides for energy security on both sides of the border and, most important, it represents great opportunities for Canadian exports of oil, natural gas, electricity, and uranium which in the past have been harassed and threatened with the loss of market.

By securing the market for energy resources we have created the condition where we can attract the new investment required to develop our energy resources for Canadians in the future. I think that our energy package is one of the highlights of this agreement. It is not a continental energy policy as the Opposition says. We maintain our ownership of the resource. We maintain our right to manage it, to conserve it, and to regulate it. We maintain all the powers that the provinces had before in this agreement. We maintain, as I said earlier, the