



Statements and Speeches

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CANADA/USA TRADE NEGOTIATIONS

Statement by the Right Honourable Brian Mulroney, Prime Minister, to the House of Commons, Ottawa, September 26, 1985.

Mr. Speaker, I rise to inform the House and the country that I have today spoken to the President of the USA to express Canada's interests in pursuing a new trade agreement between our two countries.

We hope that this action will lead to negotiations for a new trade agreement between the USA and Canada. I have asked the President to explore with Congress their interest in pursuing these negotiations. Both sides recognize that the issues are complex. Both sides are determined to see the process move as expeditiously as possible.

The President and I will be meeting in the spring of 1986 to review progress as well as the prospects for a new agreement.

Honourable members will recall that at Quebec City six months ago, President Reagan and I made a declaration on trade in goods and services. We pledged to explore all possible ways to reduce and eliminate existing barriers in our bilateral trade. We instructed the Minister of International Trade and the President's trade representative to report on how trade could be enhanced between our two countries. Today I indeed will table the minister's report to me on this vitally important subject and it will surely be made public.

Throughout our history, trade has been critical to Canada's livelihood. Now, almost one third of what we produce is exported. Few countries in the world are so dependent on trade. And trade simply means jobs. And yet our share of world trade has been declining. This trend ultimately threatens the jobs of many Canadians and the living standards of the nation as a whole.

We must confront this threat. We must as a nation reverse this trend. To do so, we need a better, a fairer, and a more predictable trade relationship with the USA. At stake are more than two million jobs which depend directly on Canadian access to the USA market.

Five decades ago the world was in the midst of the Great Depression. Restrictive trade policies made things worse. Canada and the US were the first to respond to the strong protectionist pressures of the time. They began the process of tearing down these obstacles to growth. Canada and the US indeed concluded a bilateral trade agreement in 1935.

More countries joined them in 1938 and the principles underlying the Canadian-American bilateral agreement formed the foundation of the postwar multilateral trading system.

For half a century Canada has pursued consistently a policy of trade liberalization. Today more than ever, our prosperity, and that of our partners, depends on an expanding world trade and a growing world economy. In all of the forums where Canada is present, we are working to remove impediments to trade, aid, investment and development on a global basis.

In particular we are playing a leading role in promoting and preparing for a new round of multilateral trade negotiations in the General Agreement on Tariffs and Trade (GATT). We are consulting the less-developed countries on issues of common concern; and we emphatically support their participation in the negotiations.

No responsible person anywhere today advocates protectionism as a national economic strategy. Yet, sector by sector, region by region, country by country, Canada included, there persists the impulse to protectionism, whenever the going gets tough. Protectionist measures are always advocated as exceptional cases. But the barriers grow more numerous, more ingenious and more insidious all the time. Sometimes these measures are aimed directly at Canadian products or services; often they are aimed at others, but catch us in the process.

The motive may be laudable. The effect may be incremental. But in any over-all reckoning, protectionist measures are always self-defeating. This impulse to protectionism is defensive and negative — yet entirely understandable in human terms. This is what we are up against.

Economics, geography, common sense and the national interest dictate that we try to secure and expand our trade with our closest and largest trading partner. To do so is fully consistent with our commitment to freer trade on a multilateral basis. Of course any new agreement between Canada and the USA would have to meet the test of our overriding obligations under the GATT.

Five decades ago, national governments turned inward to shield their peoples from economic distress. Ultimately, protectionism proved suicidal. It brought on the Great Depression with all of its attendant misery.

The government will be pursuing clear goals in our talks with the USA. We are two sovereign democracies, sharing the same continent and reaching out with maturity and strength to seek out ways of enhancing mutually beneficial trade goals is an honourable course of action.

The need to secure our access to the USA market was the dominant theme of representations made in all parts of the country to the Minister for International Trade during his extensive consultations during last spring and summer. The same message was heard by the Senate-House of Commons Committee which reported in late August. Honourable members will have taken note of the conclusions of the Macdonald Commission together with, I think, its impressive analysis and documentation.

Canadians will also be very aware of the strong representations on trade which have been made by their provincial premiers over the past several months. I have taken care, and shall continue to take special care, as I did this afternoon by speaking personally with all of the provincial premiers in advance, to

consult with my fellow first ministers on an ongoing basis, as the process unfolds. To that end, I have placed this major issue on the agenda at the meeting of first ministers in November. The government will also arrange, if possible, a debate — a full debate — in this House on the subject of trade at a time agreeable to honourable members.

We must all be aware that international negotiations are complex and extremely challenging. Success is not a sure thing but the results of success are well worth the enormous effort and good faith required for these negotiations.

Moreover, we have already agreed to establish a special mechanism with the provinces, to assure their continuing involvement throughout the process. To support Canada's negotiating effort, the Minister of International Trade is as well creating a new consultative arrangement with business, labour and other groups.

I emphasize that we are beginning a process of purely commercial negotiations with the USA, the results of which would provide sufficient time for all Canadians to plan ahead to take advantage of new opportunities which come with enhanced access.

We seek to negotiate the broadest possible package of mutually beneficial reductions in tariff and non-tariff barriers between our two countries.

I accept the words of prudence coming to us from some quarters; indeed some quarters of this House on this subject. I accept those words and I respect them. We understand the natural concerns of various sectors and regions that their interests as well be recognized both in the negotiations and in any agreement. And this of course shall be the case.

There is I think general consensus, however, that we must seek to secure and improve our trade with the USA. To shrink from this challenge and opportunity would be an act of timidity unworthy of Canada. It would be contrary to our national interest.

Our political sovereignty, our system of social programs, our commitment to fight regional disparities, our unique cultural identity, our special linguistic character — these are the essence of Canada. They are not at issue in these negotiations. They will be at all times in a Canada made more confident and prosperous from a secure and dynamic trade relationship with our biggest customer our close friend and with all the world.

S/C