

The honourable senator has also made the point that Canada is obliged to share its oil with the United States in a shortage. At least, I think I heard him say as much. The fact of the matter is that in the case of a shortage Canada is not obliged to share anything with the United States, except, of course, under the present provisions of the International Energy Agreement. The fact of the matter is that the obligation would be to administer any controls that we introduced in a fashion that does not limit U.S. access in commercial terms to a proportion of Canadian supplies based on the established U.S. share of Canadian supplies. The fact of the matter is that Canadian firms can also bid. There is no obligation at all on Canada to supply or to provide any share at all to the United States. They have been given a right. We have imposed upon ourselves the obligation to allow them access on commercial terms by allowing them the opportunity to bid. Senator MacEachen says that this will drive up prices.

● (1800)

Honourable senators, an argument could be made against the Free Trade Agreement in all logic—against any free trade agreement with the United States—and the argument is on the premise that it is not possible for governments to mitigate the undesirable effects of the market economy; therefore, more state control is needed; and we need more national energy programs throughout the Canadian economy. Senator MacEachen did not make that argument, but the inference is there. It would have been logical for him to make that argument, because it follows so logically from what he said.

Another argument that could be made against any free trade agreement with the United States is that governments are powerless to maintain our political independence and our cultural identity; therefore, we must discriminate against American investment; we cannot have national treatment; we must treat Canadian companies operating in Canada differently from American companies operating in Canada. That, too, is an argument not only for more statism, not only for more government intervention in the economy, but for a narrow economic nationalism which would do this country immense harm. Indeed, the few experiments that we have had in the past have already retarded our economic development very considerably.

Honourable senators, I was going to speak about the question of adjustment and, indeed, I was going to say something about agriculture and the food processing industry, but the hour is late and there will be an opportunity for honourable senators to canvass these matters in the committee. I do want to say, however, that, with regard to adjustment matters, this is a very resilient economy that Canada has and it is in the process of constant adjustment. Adjustment that is due to changes in the trading environment cannot be isolated from adjustments that are due to technological change or to the increased role of women in the labour force, or to the labour-management relations factor, to environmental standards and so forth. There are all kinds of factors affecting the work place that require adjustment, and there are some 5.2 million job changes taking place in Canada every year.

The government has programs such as the Canadian Job Strategy programs—six of them: the Industrial Adjustment Services to assist communities and industries to adjust; the range of programs that are being developed in the Department of Industry, Science and Technology; the Western Diversification Office; the Atlantic Canada Opportunities Program; the External Affairs Trade Promotion Program; the Labour Department programs for older workers. All of these are intended to help, and do help, industries, communities and individuals to adjust to changing economic conditions and will help to exploit to the full the opportunities provided by the Free Trade Agreement.

As the honourable senator has pointed out, we have appointed a commission, headed by Mr. Jean de Grandpré, to examine these programs and to see what changes would improve their effectiveness, efficiency or equity. At the same time the commission will examine the possibilities for Canadian businesses and workers to position themselves to benefit from the agreement. They will identify specific adjustment issues or circumstances arising from the agreement.

The Senate committee will, as I understand, have an opportunity to examine Mr. de Grandpré or one of his officials on Thursday afternoon, and, while I am not sure that he will be in a position to give a sneak preview of the recommendations of his commission, I am sure he will be able to share with honourable senators some of the impressions and insights that they have gained in their work over the past few months.

Some reference has been made here to the role of the Senate and Senate committees in monitoring the subsidy negotiations and other negotiations that will be taking place between Canada and the United States once this agreement is put into force. It is up to the Senate, of course, to decide on the terms of reference that it assigns to any committee. The government will cooperate with any such committee, as we always do. I do make one reservation. Honourable senators will understand, I think, if I say that we must draw the line at disclosing elements of our negotiating position or, indeed, the negotiating position of our interlocutors where doing so would adversely affect the negotiations or prejudice our position. I think it is also well understood among honourable senators who have experience in these matters that we must be the judges of that. Subject to that, we look forward to the coming months and years as, yes, a challenging time. There is a great deal to be done in our discussions and negotiations with the United States so that we can ensure that the maximum benefit to Canada ensues from this agreement, but we look forward to the coming months and years with great confidence, because we continue to believe firmly that this Free Trade Agreement is the foundation upon which we make Canada not only competitive and successful in the North American economy but in a global context as well.

**The Hon. the Speaker:** It is moved by the Honourable Senator Murray, P.C., seconded by the Honourable Senator Beaudoin, that this bill be read the second time.

Is it your pleasure, honourable senators, to adopt the motion?