

Commission did a good piece of work. And, outside the government, so did the C.D. Howe Institute, the Canadian Chamber of Commerce and, of course, the Wonnacotts right here.

And I'll give you one guess what we all have in common. On the basis of the homework, we all came out for bilateral trade negotiations with the United States.

There are a couple of other studies around that come to different conclusions. One that was played up in all the papers was by the Electrical Workers Union. It was not so much a study as a manifesto of old-time Socialist doctrine. It called for pulling up the drawbridge on trade with the U.S. -- and for state control of the economy, including exchange controls. The other study was by the Government of Ontario, and I'll get to that a little later.

I know you're expecting a long speech today, but I'm not going to give you one. In fact, I'm going to stop here -- and go straight to question period. But, with your permission, for the first part of the question period, I'm not only going to answer the questions: I'm going to ask them. And, since this is the day when eye meets eye and tooth meets tooth, the questions I am going to ask myself are the ones that the critics have been firing in their attempts to shoot down negotiations with the States.

May I have the first envelope please?

Question: Wouldn't it be a violation of the Constitution for the Federal Government to enter trade negotiations with the United States? Wouldn't all the provinces have to be involved as well?

The answer is no and yes. No, it's not unconstitutional and yes, from a

practical standpoint, the provinces should be involved. Let me spell this out a little bit.

Canada's constitution specifically reserves for the Federal Government the powers to negotiate for all of Canada and to sign treaties for all of Canada.

However. The Constitution also specifies that it is up to the various legislative bodies in the country to enact any legislation necessary to put a treaty in force. In some cases, that means the Parliament in Ottawa. In many cases, it means the provincial legislatures.

To be purely practical about it, this means that the provinces must be consulted about matters at the negotiating table that would affect them. Not only consulted, but convinced of the wisdom of whatever position the Federal negotiators take on the matter.

This, incidentally, is our intention and our practice. Under the structure we have set up, all provinces will have a say in all matters that may affect them, individually or severally. So that if we do negotiate a new trade agreement with the U.S., it will enjoy the confidence of the provinces and be implemented by their legislation.

Question: Can a mouse sleep with an elephant without getting crushed?

Answer: The question is certainly vivid. It is picturesque. But the imagery is somewhat askew. The U.S. may be an elephant, but Canada is hardly a mouse. Not, that is, unless we choose to act like a mouse.

The fact is that we have slept with the elephant before -- and survived very nicely. We signed a bilateral trade agreement with the U.S. in 1935,