

States had occurred because the northern states and the northern communities had been unable to meet the competition that Canadian firms will now have to face with low-wage competitors in the southern United States. That was his fear, and to attempt to remove it by references to noble sentiments of aspiration is a mistake.

Honourable senators, I am not ready to refight the election. I said that in my speech on December 27. Today is December 30, but it seems like a long time has passed since Tuesday, because we have been in the committee room almost continuously since then. In my statement on Tuesday I said that I was prepared to look forward, to prepare for the implementation of the Free Trade Agreement, and that we should hold to account those who have brought it about and, particularly, to insist that they deliver the benefits which even today we are told will certainly flow from the agreement. We intend and we think we ought to look forward and hold those people accountable and insist that they deliver.

I must say that I regret that Senator Murray, this afternoon, made a mistake in attempting to bring before the Senate, in a surreptitious way in my view, a letter which had been written by a government official and which never reached the committee and was therefore never examined by the committee. It was a mistake, because it disturbed the cooperative mood that had prevailed in the committee since the moment it received the order of reference.

Honourable senators, I want to express my admiration to the chairman, Senator Stewart, for his work and to all members for their diligence.

We heard from officials of the government, who helped us considerably in clarifying certain aspects of the Free Trade Agreement, as well as from a limited number of witnesses who were not government officials but who are experienced and possess considerable credentials. Some were against the agreement and some were for the agreement, but, overall, I believe they did give us a balanced preview of what may lie ahead.

I am pleased that Senator Murray again emphasized the question of adjustment in his address, because it will be a continuing priority and, from his comments, presumably the government will give it a high priority. That is to be welcomed.

Honourable senators, I heard some disquieting comments in committee, for example, from the chairman of the Economic Council of Canada, Ms. Judith Maxwell, who told us that when jobs are lost in the coming years we shall not be able to identify the cause of the lay-off—that is, to identify whether a job is lost because of the Free Trade Agreement. That view was shared by Mr. de Grandpré, the chairman of the Task Force on Adjustment Assistance. If it is true that it is impossible for the chairman of the Economic Council of Canada to identify the costs of the Free Trade Agreement, then it must also be acknowledged that the estimates which have been given by the same council alleging job creation as a result of the agreement lack credibility at this stage. I put it to Mr. de Grandpré that if we were told the difficulties were too great to measure the job losses flowing from free trade then surely the

[Senator MacEachen.]

benefits could not be measured either. I asked him if that was right, and his answer was, "You are absolutely right."

What we must now remind the government and the chairman of the Economic Council of Canada to do is to stop talking about so-called "job creation" if they cannot tell us about the job losses. The analytical difficulties are enormous, apparently, when it comes to telling us about the jobs that will be lost, but are easily managed in terms of job creation. I found that portion of the evidence very disquieting.

I hope the supporters of the agreement have not agreed that the benefits are to be highlighted and the losses obscured or concealed.

The chairman of the Economic Council of Canada also seemed to proclaim the futility of government programs. When she was pressed as to whether anything ought to be done for firms in communities affected by free trade, the answer was, "... firms use government funds to finance investment that they would have done on their own." That certainly was a pretty drastic condemnation of the types of programs that are now in place, as referred to yesterday in the committee and today in the Senate by the Leader of the Government in the Senate. I do not share that view. I do not support that view of the chairman of the Economic Council of Canada, because I do believe that appropriate assistance to firms by the government can be decisive in maintaining and encouraging employment in certain communities of Canada. I think we shall be returning to adjustment. It was clear that we did not get all the answers yesterday. We know that Mr. de Grandpré has made public no specific proposals yet. He will do so in March, but up to the present there is nothing that we can hold up in the Senate today and say, "This is a solution to possible readjustment from the Free Trade Agreement."

• (1510)

I should like to refer to another aspect of the discussions, and that is the enormous amount of work and preparation that has to be undertaken for the extensive negotiations that will take place with the United States. A great deal of work remains to be done, and it was interesting that one of the witnesses knowledgeable in the field told us that the harassment to which Canadian firms have been subjected over the years will continue, although this was a stated reason for the entry into negotiations with the United States. There is nothing in this agreement that would limit the harassment of Canadian firms by American importers, harassment that has arisen from trade remedy laws.

**Senator Frith:** And their new Omnibus Trade Bill makes it easier.

**Senator MacEachen:** In the face of negotiations down the road on subsidies, it was disquieting to hear one of the witnesses say that it was unlikely that the bilateral negotiations on subsidies between Canada and the United States would make any progress until after the completion of the GATT round, which he expected would take place at Easter time in 1992. That is an important question.

**Senator Frith:** And he was a supporter of the agreement!