

THE SENATE

Friday, December 30, 1988

The Senate met at 1 p.m., the Speaker in the Chair.
Prayers.

CANADA-UNITED STATES FREE TRADE AGREEMENT IMPLEMENTATION BILL

REPORT OF COMMITTEE PRESENTED, PRINTED AS APPENDIX
AND ADOPTED

Hon. John B. Stewart: Honourable senators, I have the honour to present the first report of the Standing Senate Committee on Foreign Affairs respecting the examination of Bill C-2, to implement the Free Trade Agreement between Canada and the United States of America.

I ask that this report be printed as an appendix to the *Minutes of the Proceedings of the Senate* and to the *Debates of the Senate* of this day and that it form part of the permanent records of this house.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

(For text of report see appendix, p. 100.)

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Senator Stewart: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(f), I move that the report be adopted now.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

Senator Stewart: Honourable senators, in considering Bill C-2, which will change the statutory law of Canada in conformity with the terms of the Free Trade Agreement between Canada and the United States of America, the Standing Senate Committee on Foreign Affairs was mindful of several facts.

First, on November 21, 1988, the people of Canada elected a House of Commons in which the majority favoured the implementation of the Free Trade Agreement. Bill C-2 is virtually the same as Bill C-130, which was passed by the House of Commons on August 31, 1988, in the Thirty-Third Parliament. Moreover, the committee received Bill C-2 only on Tuesday, December 27, while the implementation date under the agreement is January 1, 1989. Those facts pointed to the conclusion that the committee should not propose amendments to the bill, even though some members of the committee believe that, on the merits, major amendments are highly desirable.

Second, the committee saw that the proclamation of this new statute and the first deluge of regulations necessary for the performance of the obligations undertaken by the Government of Canada, although of very great importance, are only early steps in the long, complicated process begun by the President of the United States and the Prime Minister a year ago. This realization led the committee to decide to focus its work on certain matters which must be dealt with successfully by the government in the months and years now before us if the Free Trade Agreement is to have any chance of being beneficial for most Canadians.

As its report shows, in the limited time available this week the committee dealt chiefly with five matters. Those matters are: problems caused for Canadian farmers and food processors by the Free Trade Agreement; problems which will arise because of the limitations, accepted by Canada, on any future attempts to maintain a secure supply of energy for Canadians; the implications of the terms of the agreement dealing with the temporary admission into Canada of business people and others to take up employment here; the prospects for an outcome satisfactory to Canadians, particularly Canadian export industries, of the negotiations on subsidies; and the plans of the government for special measures to alleviate hardships caused to companies and their employees, to towns and regions, and to provinces by reason of changes caused by the Free Trade Agreement.

Honourable senators, this is a unanimous report. As the record shows, some members did not participate in the vote to carry the clauses of the bill. In the third paragraph on the first page of the report, which begins with the words, "From the testimony heard", the committee provides a summary of its views on each of the five specific matters to which I have already referred. Honourable senators will notice that the views set forth in that one paragraph are attributed only to a majority of the members of the committee.

Both the Honourable John Crosbie and the Honourable Barbara McDougall were ready to come before the committee. However, given the facts, first, that the committee does not see the enactment of Bill C-2 as terminating the process of implementing the Free Trade Agreement and, second, that the committee is recommending in this report that it be authorized to monitor and report on the implications and application of the agreement, it was decided that it would be more fruitful to hear the ministers at some time in the future, when Canadians have had some experience with the consequences of the Free Trade Agreement, the new statute law and the regulations.

On behalf of the committee I want to tell honourable senators that we appreciated greatly the efforts of the witnesses who came before the committee and who were most