

have required, asymmetrical terms to safeguard our essential interests.

The Right Honourable Pierre Trudeau once said in a speech to the National Press Club in Washington that, when a mouse lies down with an elephant, the mouse is sensitive to every tremor and movement of the elephant and sleeps very poorly indeed. Can you imagine what the relationship would be like if the elephant turned amorous?

It is fact that the Prime Minister achieved none of the three goals I have set out. Nonetheless, he concluded this arrangement that is before us and will take his place in our history on the wisdom of that decision—a leap of faith through a window of opportunity, to use two phrases that the Prime Minister has employed, although I admit that he did not use them together.

What is the haste in entering into this agreement? We have heard about U.S. protectionism and the need to shield ourselves from it, but nothing in the agreement bars the U.S. from applying its protectionist laws to Canada. The Omnibus Trade Bill passed by the U.S. Congress in the summer of 1988 applies to Canada as it applies to the world. Canada was not exempted there and is not exempted by this agreement either. One suspects a political agenda, with a focus on the next election, and not a nation-building agenda here. In logic and experience, no deal should have been concluded without the major criteria that I have mentioned. The time frame of national interest is a much longer one than that of any political party. It would have been no shame, and to greater national credit, to admit that the negotiations were wrongly cast or had miscarried than to conclude a deal to Canada's permanent impairment. There is an ancient wisdom recalled: "Deal in haste—repent at leisure."

Some will know that I played a role as Deputy Minister of Energy, Mines and Resources in the years 1970 to 1974 in the shaping of the energy policies of Canada in that period. I mention this because the energy-related provisions of this agreement and bill concern me greatly. In the world energy crisis of 1973-74 the need for Canada to ensure a high degree of energy self-sufficiency came home to the Canadian people as never before. Parts of Canada dependent on international supply—the Atlantic provinces and Quebec—suffered actual diminishment of supply and potential disruption of their economies. Many parts of the world, but fortunately not Canada to the same degree, saw world price escalation and the immediate release of galloping inflation. The Liberal government of the day, under Prime Minister Trudeau, took important steps to develop supply sufficiency and were rewarded with the confidence of the Canadian people in the 1974 election.

Today the energy world is facing unrealistically low prices for oil, given the costs of production and the availability of other sources of energy. The international market was distorted by OPEC action and disagreement and by the factors of war in the Middle East. The decline in price has seriously interrupted our policies of self-sufficiency both in exploration and in conservation. Much of our conventional cost oil and gas

is known, and our conventional oil in particular is a declining resource in which we are no longer self-sufficient.

Our longer-term self-sufficiency will depend on accessing the much higher cost Arctic, Hibernia, Scotia Shelf and oil sands deposits in western Canada. We must maintain our effort towards development. But, as I have said, these are costly resources, and because of the nature of markets they cannot be justified by investor activity alone. A competitive investor rate of return is just not available. This means that governments must, for national security and development reasons, stimulate these prospects. That in turn means the taxpayers of Canada will be asked to do a large share of the work.

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Through this so-called Free Trade Agreement we have given national treatment to U.S. citizens and corporations with respect to supplies of oil and gas produced in Canada. By this I mean national treatment as to access and national treatment as to cost. Why the trade agreement, which is based on lowering tariffs, refers to energy access and cost is another story which will be dealt with at the appropriate time.

My point is that in agreeing to access and cost at the same market price that Canadians pay we will place a high burden on Canadian taxpayers to subsidize American consumers of Canadian oil and gas. Canadian taxpayers will pay for the uneconomic portion of the exploration and development that will take place, and that is understandable if Canadians have at least guaranteed their security of supply. But American consumers will pay only the market price. They will have security of supply at no cost to them. It is easy to understand why the U.S. negotiators exempted petroleum development subsidies from a very long list of unfair trade subsidies.

If there is to be any fairness for Canadians in our one-way energy trade of the future with the United States, the government must see to it that U.S. taxpayers are involved to some important degree in ensuring their future access to Canadian energy resources. Without that measure, the provisions of this aspect of the agreement alone would justify the use of the six-months cancellation clause and all of the fallout that that would portend. The cost to Canadians of this aspect alone of the agreement is in the multibillions of dollars.

I join with Senator MacEachen and many of my colleagues on this side in proposing that the Senate establish a specific role for itself in monitoring the consequences of this legislation. There are bound to be many unintended and unfortunate results, as well as results to the disadvantage of Canada that we can foresee. The Senate must provide a forum for Canadians to be heard and for the consequences of this legislation to be assessed. We must also keep under view the critical negotiations which are ahead, particularly in the definition of subsidies and other trade practices which Senator MacEachen has outlined. Somewhere along the way we must review the highly unfortunate softwood lumber issue, which has had such a serious impact on the cost-base of our forest industry in British Columbia. Here was a case where U.S. bullying was too intimidating for the Mulroney government to deal with, and,