

tions on the other in order to bring out in what respects the Free Trade Agreement creates new obligations for Canada.

Honourable senators, I shall go on to make another point. I should like to say with respect to section 83 of the National Energy Board Act that I hope no one will contest that licences for export to the United States of America can no longer be denied by the Canadian government without triggering a period of restriction in Canada and the application of the rule of proportionality. Yet the Leader of the Government, Senator Murray, was shocked when I said that the energy provisions of the agreement limit Canadian freedom of action. He said, and I quote:

That statement is not only hard to say; it is untrue.

Honourable senators, I believe I have made that illustration now, that we have limited our freedom of action even if only on one point; namely, that we cannot deny an export licence to the United States without declaring a period of restriction, which is new, and without imposing proportionality, which is also new. Honourable senators, that is certainly a diminution of Canadian freedom of action.

May I go on further to say that I really did not need Senator Murray's assertion to understand that we do not have any supply commitment to the United States under the energy provisions of the Free Trade Agreement. However, in a period of restraint, I can envision market conditions in which shortages in the United States could produce high oil and gas prices in that country which Canadian bidders might not be able to meet. I can also foresee the possibility of a situation in which Canadian gas supplies to the United States are locked into long-term contracts, leaving precious little for Canadians to bid on.

Honourable senators, I should still like to press this point and ask Senator Murray if he is still of the view that we have made no concession on energy to the United States. I would like to ask Senator Murray if he holds the view that Article 904 of the Free Trade Agreement creates no obligations on Canada. If not, I really would like to know his analysis, and to know where I have gone astray in saying that limitations have been placed on Canadian freedom of action.

Certainly, honourable senators, the United States is of the opinion that they have made major gains. Perhaps I have already referred in the Senate to this incident, but a few months or weeks ago I attended a meeting which was addressed by the chairman of the President's Council of Economic Advisors. In a discussion of the Canada-U.S. Free Trade Agreement the single benefit cited by the chairman as having been achieved by the United States was access by the United States to Canadian energy supplies. Not only has that been given, through a series of measures in the energy sector, but we have severely, in my opinion, constrained our freedom of action.

Honourable senators, at the risk of boring my colleagues, I intend to return to the comparison between the International Energy Agency and the Free Trade Agreement. I do so because I think it will become an important issue for Canadi-

ans in the future. At some point in time people will be scrambling to discover how we got ourselves into this particular obligation under the Free Trade Agreement.

● (1520)

I said in my speech last September:

It is neither accurate nor relevant to compare the obligation that we are undertaking with the United States to obligations we have undertaken under the International Energy Agency . . . The comparison with the International Energy Agency is a red herring.

Senator Roblin was shocked, and I believe that Senator Murray was shocked. If they had looked at the international program under the International Energy Agency they would have known that that program deals solely with oil. Article 904 of the Free Trade Agreement deals with all forms of energy. We have therefore assumed new obligations in terms of broader coverage over and above those contained in the international agreement. Secondly, the circumstances triggering the International Energy Program are narrow and tightly defined. They reflect a sharp disruption of world supplies. However, circumstances in which the restraint and proportionality disposition of Article 904 may be triggered are much broader. We have therefore assumed in the Free Trade Agreement new obligations in terms of the range of applicability over those contained in the International Energy Agreement.

What Senator Roblin did understand properly was a situation in which an international energy crisis triggered the provisions of chapter IV, in which the international program would take precedence. What he failed to understand was a situation of crisis falling short of triggering the provisions contained in chapter IV of the International Energy Program. In these circumstances the International Energy Program would not be operative, but restrictions and proportionality provisions under the Free Trade Agreement could be.

Senator Roblin made much of the scenarios presented by officials in the committee in what I can only describe as a gallant effort to help the government in this situation. They constructed their scenarios on the basis of a hypothetical international emergency situation in oil supply in which both the international program and the proportionality provisions would be in effect. This hypothesis, by definition, excludes the situation with which I was dealing—that is, a situation in which proportionality alone is in force, possibly on a commodity other than oil. That is why reference to the IEA in such circumstances is truly a red herring. The experts did not fudge the books, as Senator Roblin put it; they fudged the issue, and Senator Roblin fell for it!

Honourable senators, we on our side have had some discussion, which we have shared informally with members opposite, to the effect that in the examination of this bill in committee we would be doing a real service to the better understanding of the bill, and we would better grasp the differences in the field of energy between our obligations under the Free Trade Agreement and our obligations under the International Energy Program, if we could bring before the committee a person