

because we have other priorities. The committee report comments on those various priorities the government would have.

In any case, the debate on this issue will continue. We shall see whether new developments will eventually require a re-examination of this government decision.

I point out that the committee said that it did not have the necessary information. It could not hear Mr. Kroeger, who was the special advisor in charge of the inquiry and reporting to the Government. The committee could not ask Mr. Kroeger to testify and say what he thought and what advice he had given or should be given the government. A committee cannot ask someone's lawyer or personal advisor what was his advice. It is confidential.

We therefore did not know what advice was given. The government had probably received the report of Mr. Kroeger when the decision I have already mentioned was made on September 7.

I now come to the second part of this report which concerns bilateral trade with the United States.

As I have said, this part of the report is the result of what I would call the joint opinion of the Progressive Conservative and Liberal members of the committee. The report includes four major recommendations. If I may, I would like to summarize them.

The first one suggests that we pursue our vigorous efforts to promote a new round of multilateral trade negotiations within the GATT. The second, is that we try, in cooperation with the provinces, to reduce the barriers to inter-provincial trade, and the third, that we pursue a more aggressive trade strategy, for instance, by emphasizing trade promotion efforts, by improving export financing and by finding new mechanisms to help exporters facing trade disputes with other countries.

Fourth, the committee recommends that discussions be initiated immediately with the United States, centred initially on resolving current trade irritants, particularly non-tariff barriers . . . These discussions should be used to explore the potential for freer trade between the two countries.

The committee did not see any problem in these discussions being undertaken at the same time as the GATT negotiations.

However, the committee gave, and this is one of the sensitive points which has already been debated and which will continue to be debated, a list of items that the Canadian representatives would not be authorized to negotiate. Therefore, matters of social and cultural policy deemed essential for the preservation of a distinct Canadian identity would not be negotiable. It was also suggested to make exception for specific areas of the economy, including the farm industry which Honourable Senator Argue referred to a while ago, and some soft areas of the economy.

Any bilateral trade agreement would have to provide for a gradual implementation of changes to trade barriers and of adaptation assistance programs which would be offered, so that workers and communities would not have to suffer because of these changes.

[Senator Flynn.]

The report deals also, and it is a rather important point, with the need to set up a new instrument to implement the agreement and settle any disagreement which might result from its application.

When we compare these recommendations with those published, I think, in 1982 by our Committee on Foreign Affairs and those contained in the Macdonald Report, as well as the government decision which the Prime Minister announced last Thursday, I believe we can say that there are no major differences between them.

As a matter of strategy, the committee agreed with the idea expressed by the Liberal Party that we should prefer the term discussions to negotiations. When it is proposed to have negotiations, as the government is now doing, there must be discussions first. The idea would be to explore the possibilities. The Liberal Party said we should be very careful.

It is clear that if we cannot get a favourable agreement, there will be no agreement. One thing is sure, and on this point everybody agreed, and it is that every effort should be made to stabilize the existing markets.

The United States accounts for between 75 per cent and 80 per cent of our trade. Stabilization remains a consideration of utmost importance. It is an objective on which our economy depends.

On this point, I do not think that there is any disagreement. The removal of tariff barriers is something that could be discussed and phased in. The first thing to do would be to take down the non-tariff barriers, which are a destabilizing factor, by creating an organization to settle conflicts under a potential agreement. This organization could perhaps be modelled on the International Joint Water Commission.

Without going any further, these are the recommendations of the committee which must be considered in the light of the previous report of the Senate, of the Macdonald Commission report, as well as of the opinions expressed by the provincial premiers. As it has already been pointed out, the provinces will have to be consulted. They have a lot to say in the matter. Non-tariff barriers within Canada will be involved if an agreement is signed.

I believe that only good can come out of the proposed negotiations. There are many problems. All the difficulties we hear about every day in fields such as agriculture, beer, textile, lumber, pork, and so on must be taken into account. All this must be considered.

It is essential to explore and clear up our trade relations with the United States to know where we are going. The United States is and must remain the major trading partner of Canada.

I believe that, in view of the circumstances I have already mentioned, the committee has done a good job. I wanted to make these comments to allow all those interested in the issues mentioned in this interim report to express their views.

While this has meant a lot of hard work at a time when I would have preferred to do something else, this experience has left me excellent memories.