

*Canada-U.S. Free Trade Agreement*

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** Some people in this House and elsewhere profess concern about the energy provisions of the agreement. Interestingly, those concerns do not come from the Canadians who produce the energy nor the Canadians who invest in energy. These concerns do not come from the Canadians who work in the oil fields, nor the provinces that own the resource.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** Let me deal directly with the pricing argument: Under the free trade agreement, Canadians will be able to sell their energy for whatever price the market determines, at home or in the United States. In this regard, the northeastern states represent a particularly lucrative market for our electricity and natural gas exports. For example, Quebec has recently signed a 21-year contract with New York to export electricity for more than double the price that Quebecers pay. This is possible because the market alternatives for our energy in New York are more expensive oil-fired generation using imported oil from offshore sources.

Similarly, Alberta natural gas stands to make promising inroads in the New England and mid-Atlantic U.S. markets. For decade after decade western Canada has only asked for the same opportunities as other provinces. Now it has an opportunity to grow and to prosper, and all Members should be supporting it.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** The argument that we can be forced under the agreement to share our energy resources deserves but a brief comment. What we have agreed to do in times of significant oil shortages, and what the previous Liberal Government undertook to do for all of the western industrialized countries under the International Energy Agency in 1974, is to reduce our consumption and to supply our foreign customers, including the United States, with a proportion of our supply at commercial terms. While the critics have been inventing problems on the energy issue, they have completely overlooked one huge advantage. We have achieved for the producing provinces, and for all Canadians, guaranteed access to the United States market.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** Billions of dollars of energy exports formerly subject to the winds and whims of U.S. protectionism will now enter that vast market free and unencumbered. Think of what this means for investment and job creation here in Canada. Think of the beneficial impact that this will have upon our regions of Canada that have been asking for fair access to that tremendous market. Think of what it means to the hopes and aspirations of young people from western Canada, British Columbia, to Newfoundland and Labrador whose resources are so vital in the development of their regions.

[*Translation*]

Small wonder that Premiers such as Robert Bourassa, Don Getty and Grant Devine so strongly support this agreement. The producing provinces have been seeking precisely such a trading instrument for decades. It gives their regions an historic opportunity for durable prosperity.

[*English*]

But guaranteed access to the huge American market also means more investment and more exploration in Canada. It enhances our security of supply and benefits consumers as well as producers. To suggest that Canadians have given up control of our energy resources is nonsense. Decisions about how we develop our resources and what we do with them—even in times of shortage—are decisions that only Canadians will make, in the national interest of Canada.

As for water, Canada's rivers and lakes are not for sale. Geography is not a commercial commodity under the GATT, the free trade agreement, or any other agreement. No specious argumentation nor any distorted interpretation from the Opposition will ever alter that plain fact. Listen to what—

**An Hon. Member:** Who wrote this?

**Mr. Mulroney:** A Member asks, "Who wrote it". Listen to what Senator Van Roggen says. He wrote it. I want to thank my hon. friend for triggering my memory. Senator Van Roggen says: "Many of the attacks on the free trade agreement are mischievous, and motivated by partisan politics. The nonsense about water diversions is a good example. Water diversions", says Senator Van Roggen "never entered into the negotiations".

[*Translation*]

In fact, Mr. Speaker, there is nothing in this agreement which obliges anyone in either country to sell anything they do not wish to sell! The Leader of the Opposition (Mr. Turner) is fond of saying that this agreement puts Canada "up for sale." Ultimately, silly slogans and blind jingoism will crumble when hit with the truth, when confronted with the facts. The Agreement in essence adopts current Canadian investment policies—policies that have manifestly won broad support in Canada and around the world and which helped rescue our economy from the blight of previous regimes. Traditionally sensitive sectors such as transportation, communications, culture and energy continue to be subject to special restrictions. Major direct takeovers will still be subject to review i.e. about two thirds of all corporate assets in Canada.

What is often neglected, Mr. Speaker, is what Canada has gained in terms of investments namely that our investments in the United States which, per capita, are three times greater than American investments here will not suffer discrimination, and that is a tremendous advantage for Canadian investors.