

Agreement, neither country will be able to impose an export tax or duty on energy unless the same tax is applied to domestically consumed energy. Canadian energy producers can still extract a higher price in the United States market than charged to a Canadian customer if the market will bear it.

The removal of tariffs will also have a dramatic effect on the petrochemical industry that is so important to our province. Alberta alone exports 75 per cent of our production to the United States. Canadian methanol presently faces an 18 per cent U.S. duty, and polyethylene a 12.5 per cent duty. The removal of these tariffs will provide the petrochemical industry with a major incentive to further process our raw products here in Canada for export to the United States. Further processing of our resources in Canada means a broader and more diverse economy, and that means more jobs.

• (1310)

Many of the past energy policies have proven to be destructive for this important industry and for the thousands of people in my riding, in Calgary and in Alberta who depend on the energy industry for their livelihood and for Canadian energy consumers. The free trade agreement is good for the energy industry and it is good for Canada.

Before leaving the subject of energy, allow me to dispel the myth that the Free Trade Agreement gives the U.S. unlimited access to Canada's energy reserves. In fact, there is absolutely no obligation under the Free Trade Agreement for Canada to supply energy to the United States on demand. Resources are owned by the provinces, and the provincial Governments will continue to decide when and how these resources are developed. Canada remains free to determine when and where to allow energy exports, to monitor and license such exports and to sell energy to the United States at whatever price the market will bear. Existing Canadian ownership policies applicable to the energy sector will not change.

Under Chapter Nine of the Free Trade Agreement, Canada has retained the right to impose export restrictions on energy for a number of reasons, including short supply, conservation or domestic price stabilization. All that the Free Trade Agreement does is to require Canada to ensure that the U.S. is provided access to its normal proportion of Canadian supply if we impose export restrictions for any of these reasons.

This is nothing new, Mr. Speaker. We have long been committed, under our membership in the International

Energy Agency, to share oil in a period of short supply. This notion is also fundamental to international trade law under the GATT. Furthermore, it is only fair.

Free trade will also benefit the agricultural industry in my province with enhanced export opportunities for beef, veal and pork producers. With the removal of tariffs, prairie livestock producers and producers of grains and oil-seeds will be more competitive in the United States. Exemption from U.S. meat import laws will give prairie beef producers greater and more secure access to the U.S. market.

Under the Free Trade Agreement we have preserved the right to use our marketing board systems and we have kept intact the supply-management system for dairy, poultry and eggs that is so important to Canadian agricultural producers.

Services are the fastest growing part of the economy in both Canada and the United States. The prairie provinces are strong in petroleum, chemical and mining engineering, resource science, management consulting, accounting, computer services and insurance and banking. The services agreement guarantees the service sector its current high level of access to the U.S. markets.

For the West's manufacturing sector, the Free Trade Agreement will lead to further diversification of western industry and increase the competitiveness of the strong manufacturing base already in place. The Canada West Foundation estimates that over half a million jobs in western Canada are in industries which can expect positive benefits from the Free Trade Agreement.

The Free Trade Agreement will ensure the long-term viability for our energy sector, give our farmers a sure and equal access to the huge U.S. market and create jobs in sectors such as mining, forestry and metal production. Every reputable report from the Canada West Foundation to the Economic Council of Canada has documented the potential which the Free Trade Agreement offers Canada. The Free Trade Agreement is the type of policy which western Canadians have sought from the federal Government for years. After so many years of economic mismanagement and destructive policies, the Free Trade Agreement offers real opportunity and benefits for the West.

During the recent election much attention was paid to the divisions that seemed to open before us. Observers here and abroad claimed that we Canadians were split as we had never been split before. In the days immediately after the voting the most important question being