

adjustment. How far have they gone? Is it unfair to ask now what the plans are for the future in the field of adjustment? We know that the experience of other free trade areas has demonstrated that adjustment is best pursued in periods of economic expansion. Economic stagnation, let alone a downturn, increases the pain and endangers the success of this venture. What good will it do to retrain displaced workers if they have no other jobs to turn to? What good will it do to encourage firms to look at the promised land if high interest rates stifle their growth? The government's macroeconomic management will be part of making the free trade area work.

The government has made a choice. The government has chosen the hard discipline of the market. We shall have to monitor how the market does the job, how the government deals with its budget deficit, how it copes with interest rates and exchange rates, how it reconciles its commitment to preserve intact our social programs and regional development programs with the imperative of negotiating with the Americans a definitive system on subsidies.

So far our discussions have focused, quite appropriately I believe, on the text of an incomplete agreement. This examination will no doubt continue for some years, but we now have an additional task, that of monitoring and passing judgment on action and reaction under the agreement. We shall have to establish reporting requirements and an institutional framework, enabling us to pass judgment on its multidimensional and systemic effects. Yes, we should have an overview and we should come in due course to pass a global judgment on the Free Trade Agreement. Otherwise, small events may occur, always falling short of a national crisis. One plant closing is not a national crisis, but small events will occur. The country will drift from one pragmatic decision to another. It will be tempted by opportunism and move from one concession to another, until all the King's men no longer can, or even know how to, put the country together again.

Hon. Jack Austin: Honourable senators, my first words must be to Senator MacEachen, with thanks for an excellent outline of the current factual basis on which this legislation is proposed to us. I would adopt his argument by reference, as I am sure would all members on this side of the house.

This particular day will find few Canadians focused on this Senate debate regarding Bill C-2, an act to implement the Free Trade Agreement between Canada and the United States of America. It is the holiday season for Canadians and they are rightly concerned with the more immediate matters of family, friends, religious feelings, a general stock-taking of the year now concluding and the challenges they may face in the year ahead.

Nonetheless, all of us in this Senate chamber know that Canadians have focused keenly on the underlying issues of this bill and will do so again and again in the years to come. All of us know that this is no ordinary bill that comes before us for a few days and is then passed into the hands of bureaucrats to play a circumspect role in the lives of a few Canadians. We are universally aware that this is a pivotal act in the life of our

nation, an irretrievable step toward some future we can understand but dimly and on which we do not agree.

Many Canadians—a majority of 57 per cent in the election held November 21, 1988—voted for the Liberal Party or the New Democratic Party, and therefore against the principle of this bill. Only 43 per cent voted for the Progressive Conservative Party and to maintain this bill.

We need no lessons in this Senate chamber on the principles of representative government. By our parliamentary rules and conventions the Progressive Conservative Party has, with 43 per cent of the popular vote, won a majority in the other place and, with it, a parliamentary mandate to proceed with this legislation. However, the knowledge that a majority of Canadians have cast their ballots against this legislation must surely serve to caution the government that what it has won is merely a conditional victory.

Canadians will day by day see the emerging evidence of the wisdom, if any, of the government's policy and, in the light of experience, know whether the Prime Minister's leap of faith has a soft landing or will come with a hard and damaging jolt. If this is the wrong way to go, if Mr. Mulroney has bet the nation on a much too costly deal, the price will be paid not only by him and his party but, regrettably, by countless men and women across Canada who will be injured, some of them catastrophically.

It is because the majority of Canadians have voted against this bill that the opposition in the Senate chamber and in the other place have a special responsibility to hold the government to its assurances and commitments and to the expectations that it has created in bringing this pivotal issue forward in its present form at this time. The process of this debate has great value for the future accountability of the government. Both here and in the other place the specific statements of the Prime Minister and other members of his cabinet made prior to and during the election are being placed in the parliamentary record, to be noted and referred to in times ahead.

We have been given words of assurance from the government that Canada's social security safety net, pensions, unemployment insurance, Medicare and family allowances are not in any way the subject of or affected by this legislation. There are similar assurances given with respect to regional development policies and the programs relating to education and job retraining. Other assurances have been given regarding our very important water resources. We are told that the agreement and this bill are so favourable to Canada and to Canadian workers that no special provisions need to be made for industries, communities and individuals affected by new levels of competition and changing economic circumstances. The present day programs will do, the government assures us.

It is the role of the Senate today to do its work and to discharge its responsibility to see that Canadians are given the opportunity to understand the nature and meaning of the government's proposals for their well-being. If I may indulge in a bit of year-end stock-taking, I would say that we have performed very well indeed in the last Parliament in discharg-