

## FISHERIES

**Mr. Peter L. McCreath (South Shore):** Mr. Speaker, my question is for the Minister for International Trade. Reference has already been made to the infamous U.S. lobster bill, and I commend the Prime Minister and the government for moving quickly to advise President Bush that the law is simply unacceptable to Canadians and that we will apply for an FTA panel on it.

However, lobster prices are falling already and time is of the essence. Can the minister advise as to when we might reasonably expect a panel decision, and as to what countervailing measures Canada will take during the interim to let President Bush and the Americans know that we expect them to live up to the spirit, as well as the letter of the agreement, and to show Canadians that the FTA process works?

• (1450 )

**Hon. John C. Crosbie (Minister for International Trade):** Mr. Speaker, I am glad to have a truly concerned question about the fishery.

Luckily, we have the free trade agreement so this matter can be proceeded with and adjudicated upon in a few months rather than the year or longer it might have taken under the GATT. Thank heavens, we have the free trade agreement.

The government has already taken preliminary steps. We did not wait for the President of the United States to make up his mind whether he would sign this democratic bill or not, a bill sent to him by the democratic majority in the Senate and in the House. We have had consultations. We have had the matter before the Trade Commission, so we have saved weeks by doing that. We are now seeing if we can get an expedited process.

We were talking to our U.S. colleagues to see if they will agree to a quick process. Even if they do not agree, we can reasonably expect that there would be a decision, and by the middle of May there should be a final report, if we go with all due expedition as we can under the agreement. It could be quicker if we can have an expedited process as we did in the case of the B.C. salmon.

We did not wait for the President to make his mind up. We started long ago on this process, and we have advice that we have a very strong case. We are going to press it in every agency that we can press it in. We are going to

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go on with the support of the House, I trust, to see that this trade distorting measure of the United States is found to be trade distorting.

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## THE ECONOMY

**Hon. Lloyd Axworthy (Winnipeg South Centre):** Mr. Speaker, I have a question for the Prime Minister, and it is very simple.

The government agency, Stats Canada, reported today that our trade surplus with the United States is down 21 per cent over last year, that the investment income deficit is up 25 per cent over last year, but the trade in services is down 21 per cent over last year.

I want to ask the Prime Minister this simple question. Does he agree with the comic logic of the Minister for International Trade that this is good news, or does he recognize that this represents a serious challenge to the economic well-being of this country, and that this government has got to do something to repair this serious situation?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I agree with the point of view expressed by members of the ministry that, clearly, interest rates are high and that is taking a toll on the economic situation. Imports are high and that is impacting negatively on our exporters. The state of the dollar is doing that, and we recognize some important structural difficulties in the economy. Productivity is not as high as it should be.

The object of the policy of the Governor of the Bank of Canada and the Minister of Finance is to squeeze out of the economy the inflationary pressures to avoid what I am sure my friend wants to avoid, a repetition of the tragic situation of 1981 and 1982 when inflation got out of hand and crippled the economy for five years.

We believe that while there have been figures that have been out for one month the Canadian trade balance remains in a favourable posture by something in excess of \$4 billion. We believe that the policies set out by the Minister of Finance and the Minister for International Trade are valid.

We have not heard any alternatives to them whatsoever that make any sense from the opposition. We have delivered now almost six years of economic growth and prosperity second only to the economic growth of Japan which led the world. Canada was number two. We