

apprehensive about jobs going to Mexico if the United States enters into a free trade agreement with Mexico. They said the same things to me this week that we were saying two years ago about Canadian jobs going to the United States.

I want the Deputy Prime Minister to tell this House and the nation today that Canada will not enter into a free trade agreement with Mexico at the risk of losing what manufacturing jobs we have left.

• (1150)

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Madam Speaker, there are further details about the Fruehauf development which I think the House should know as well. We have found a need in the past to change the licensing agreement for trucking with the Ontario government. The GATT has found this inappropriate. That has nothing to do with the FTA, it has to do with GATT, and that has affected the over-all potential of this company. The consolidation is occurring in Canada, in Ingersoll.

More important, the hon. member should know that it is companies such as Fruehauf that are going to benefit enormously in the years ahead from the removal of the most iniquitous tax we could ever put on an industry like that, the manufacturers' sales tax.

After the Senate sees the sense of this, come January 1 one industrial capacity after another in southern Ontario, the Brantford area especially, is going to gain enormous strength as a result of this change.

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FISHERIES

Mr. Lawrence MacAulay (Cardigan): Madam Speaker, my question is for the Deputy Prime Minister. Last month Canada lost a crucial decision by the free trade lobster panel. The United States intends to increase the minimum size of lobsters again in 1991 and 1992, also under the pretence of stock conservation.

Will the minister specify what he will do to avoid the impact of the next two increases and to minimize the fishermen's loss due to the latest ruling?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, this question is essentially similar to what this House has heard in the last two or

three weeks. There is a slight difference. He wants to know what more we are doing.

There are two major things the government is doing of which the hon. member should be aware. The first is the promotional campaign that the Government of Canada is putting forward for large lobsters and, indeed, for small lobsters—large lobsters in the United States, small lobsters over all.

What is happening is that the inventories have been selling down very, very nicely. We have moved from about a \$20 million inventory to an inventory of about \$2.4 million. This promotion program is working well. In addition, we want to work with the industry, with the unions and others to come up with another approach to deal with the difficulties the small lobster export industry is facing. They are difficulties which can be met through promotion and co-operation with the industry.

Mr. Lawrence MacAulay (Cardigan): Madam Speaker, I am sure that the fishermen in eastern Canada will certainly appreciate that when they are selling their lobsters below cost.

My supplementary question is for the same minister. The minister is no doubt aware of American state legislation which makes the import of processed lobster very difficult. Will the minister now specify what he will do to guarantee access to the American market for processed Canadian lobster?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Madam Speaker, the member, of course, wants iron clad guarantees in all situations, but here is what I can tell him. The conversations going on now with the industry are focusing on that matter in particular. I expect that given the new context, some creative new ideas will emerge. We are seeing them emerge. That, together with the promotion campaign, will hopefully address what the hon. member is concerned about.

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ROUTE CANADA

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Madam Speaker, my question is directed to the Minister of Transport. I am sure he and all the members on his side of the House know that the deal that sold CN Route to the Fingolds and to Manfred Ruhland was truly a lousy deal. Everyone on this side, and certainly all the employees of CN, past and present, know about this terrible