

Oral Questions

economic activity is the most important step government should take”.

Canadians cannot understand how the government can negotiate free trade with the United States and Mexico but cannot negotiate free trade within Canada. As the de Grandpre report emphasized, a true economic union in Canada is essential if Canadians are to be competitive in the 21st century.

What concrete measures is the government taking to create a true common market within our own country?

Right Hon. Joe Clark (President of the Privy Council and Minister Responsible for Constitutional Affairs): Mr. Speaker, there was some considerable progress made on that issue during the constitutional discussions. There was not as much progress as we would have liked and I think not as much progress as the opposition would have liked, although a little more than was made in an earlier round of constitutional discussions.

What is most important is that there is a firm commitment now by all of the first ministers to the principles of free trade within the country. There is a process set forth that will allow first finance ministers and then first ministers to gradually move us toward a situation in which in addition to the guarantee of free trade in goods under section 121 we will make significant progress on free trade also in services, in capital and in persons.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Prime Minister.

When the Prime Minister signed the first disastrous trade deal he said that we would have an economic boom in Canada and he said that we would have the best adjustment programs in the world. Instead, what we have is a devastating recession. The situation in metro Toronto alone is worse than it has ever been in the entire lifetime of Brian Mulroney.

Mr. Speaker: I would ask the hon. member to refer to ministers or other members appropriately.

Ms. Copps: How can the Prime Minister agree to a second deal when the first deal is sending thousands of Canadians to the unemployment lines?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the hon. member refers to the adjustment issue. If she would care to look at what

Statistics Canada has just published recently, she will see the number of jobs that have been created on account of free trade with the United States and that the recovery in this country is led by exports to the United States. Maybe she cannot see that, but Canadian workers do.

When she talks about the adjustment program, the Americans are looking at what we do in Canada in terms of income support, in terms of training, in terms of counselling workers and helping them adjust to this new economy. We are doing what the Americans hope to have under their program but do not.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would suggest that maybe the hon. minister should talk to some Canadian workers. While this deal might be good for Dallas and good for Acapulco, it certainly is not good for the workers in Hamilton, Toronto or Sydney.

Using the steel industry as a simple example, under the current deal the steel industry has been hammered and hammered and hammered by unfair trade practices from the United States.

How can the government agree to a second deal that has no binding dispute settlement mechanism, no anti-dumping code and no serious definition of subsidies and leaves us in the same mess as the current free trade agreement?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend is quite wrong. The deal, indeed, has a binding dispute settlement mechanism. This statement is fundamentally and completely inaccurate.

Ms. Copps: Wrong.

Mr. Mulroney: My hon. friend says that they are wrong. When the deal is tabled on the floor of the House of Commons, she will see that she is wrong. I know she will then want to stand up and acknowledge that fact to the Canadian people.

For the benefit of my hon. friend when she is reviewing her facts with regard to trade arrangements, the free trade agreement has already attracted \$15.1 billion in new foreign direct investment in Canada. Last year, Canada exported \$5.7 billion more in goods and services to the United States than in 1988, the year before the free trade agreement came into effect.