

Oral Questions

Ms. Sheila Copps (Hamilton East): Mr. Speaker, his own document from Statistics Canada says: "This is the first time since the Great Depression that the economy has shrunk two years in a row".

It's report card time across this country and the World Economic Forum has issued a failing grade to the Government of Canada. We ranked last in balance of trade. Canada ranks last on export market diversification. We ranked last in research and development. We ranked second last in merchandising training. We ranked second last in manufacturing. We ranked third last in the industrialized world in competitiveness.

How can you claim that your competitive agenda is succeeding when all world indications show that Canada is failing the challenge of competitive economy?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, it is hard to believe the rhetoric of the hon. member because she was in the House last week. She would know that merchandise trade has improved.

As a matter of fact, exports have increased by 15 per cent. That is one of the reasons why we have had a 1.7 per cent increase in Gross Domestic Product in the first quarter of this year. Merchandise trade exports are at a record all-time high for the last two or three months. That is because we have a free trade agreement and because most of that trade is being done with the United States.

It is because we have taken initiatives to improve and enhance productivity and enhance competitiveness. That is why we are producing such good results that will be translated into jobs and further economic opportunity.

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TRADE

Mr. Jim Peterson (Willowdale): Mr. Speaker, the latest leaked draft of the North American free trade agreement shows that Mexico will not capitulate as Canada shamefully has to U.S. energy demands. Mexico, unlike Canada, will not be forced to make up for U.S. shortages if there is a North American shortage.

Does this government not find it thoroughly embarrassing and thoroughly humiliating that Mexico has cut a better deal on energy than Canada?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, my hon. friend is somewhat outdated in terms of what is likely to be in the energy package.

He is looking at or quoting Mexico's early draft. He will find that in terms of the negotiating text that we are now considering there are areas of disagreement. We have no final text. In that final text he will find that we are doing quite well in terms of resolving the energy differences between Mexico, the United States and Canada.

Mr. Jim Peterson (Willowdale): Mr. Speaker, under this text, which was apparently negotiated two weeks ago, if there are any energy shortages, Mexico will not be forced to divert scarce supplies to the United States, but Canada will.

If the government cannot negotiate a more favourable energy agreement, an agreement which is at least as favourable as Mexico is obtaining under this deal, if it cannot do that, will this government refuse to sign the North American free trade agreement?

An hon. member: Once again Peterson has his facts wrong.

Hon. William C. Winegard (Minister for Science): I will repeat what I said before, Mr. Speaker.

It is very clear that my hon. friend is looking at an early draft which was not a Canadian draft. I would also like to remind him that there is such a thing as the International Energy Agreement which a previous government signed on behalf of Canada.

An hon. member: Which happened to be Liberal.

Mr. Winegard: It happened to be a Liberal government. There is no question at all, we do not have a final text on energy. Our opportunities are to open up the Mexican market for Canadian goods, including energy.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Acting Prime Minister.

The minister responding for the Minister for International Trade has just said: "Well we are all dealing with early drafts of the Mexican and NAFTA talks". Perhaps if members of this House and Canadians knew what this