

Oral Questions

[English]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, this was not, as my hon. friend has alleged, a publicity stunt.

At the luncheon meeting the Prime Minister had with the President in attendance were the Secretary of State, Jim Baker, and the U.S. trade representative, Carla Hills, two key people in the management of the relationship between the United States and Canada.

These matters, the ones she has referred to, have been discussed. But there is a certain element of process that must be followed in these matters, whether we are managing them or whether the United States is managing them.

What has become very clear as a result of the meeting between the President and the Prime Minister is that the attention of the President and the senior members of his cabinet will be engaged at all times in the management of these issues.

* * *

CANADA-U.S. FREE TRADE AGREEMENT

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, yesterday, the Minister of Finance in the Conservative Government of Manitoba said that the Canada-U.S. Free Trade Agreement is a failure, the cause of massive unemployment and that the federal government deliberately misled Canadians in 1988 in selling the free trade agreement as a panacea.

I want to ask the Minister for International Trade instead of spending time cavorting with Dan Quayle, should not this government be listening to the serious condemnation being made by senior ministers of its own party about the failure of the free trade deal? Will it not understand that it is now time to renegotiate that deal?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, I think that if my hon. friend looked at the facts he would see that last Wednesday, or was it Thursday of this week, there was an announcement of trade statistics which demonstrated that exports to the United States were at record levels.

We have seen an increase in exports to the United States of some 5 per cent at a time when the United States is in a recession. We have been increasing our market share during that same period because exports into the United States from other countries have been declining. This demonstrates that companies in Canada are competitive and that the increased exports are being translated into increased jobs in Canada at a time when we are going through a difficult time in our economy.

An hon. member: When?

Mr. Wilson (Etobicoke Centre): My hon friend asks: "When". If he could add he would see that there is an increase of \$5 billion to \$6 billion in exports from Canada into the United States. That translates into some 75,000 or 80,000 jobs.

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, the minister talks about facts. Well, these are the facts. Since the signing of the free trade agreement Canada's industrial production has declined substantially relative to every other G-7 country. That is from his own agency, Statistics Canada.

Another fact is that Canada has lost 23 per cent of its manufacturing jobs compared to 6 per cent in the United States. The toughest fact of all is that there are a million and a half Canadians unemployed.

If the Minister of Finance in the province of Manitoba, a good Tory, can understand the drastic decline of Canadian production as a result of the free trade agreement, why can't this minister and why can't he start doing the honest thing by listening to Canadians and renegotiating the deal?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, let me just draw my friend's attention to the Peter Cook column in today's edition of *The Globe and Mail* where he comments on this very point. Let me quote one thing: "Under Mr. Chrétien we would have a prostrate Canada pleading its case".

My hon. friend says: "Yes, we are going to go down there beating ourselves on the chest and we are going to renegotiate that deal". What is the hon. member going to give up? Renegotiation is not a one-way street. If he is going to ask the United States to give up something, what is he going to offer in return?