

been collecting data on the memorandum of understanding on softwood lumber for more than four years.

On March 4, the same minister was quoted as stating that he was ready to go to Washington before the end of March to negotiate the termination of the memorandum.

• (1450)

Given that a promise was given, can the Prime Minister indicate to this House and to Canadian lumber manufacturers if indeed the Minister for International Trade has met with his American counterparts and, if not, why not?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, understandably the hon. member takes a very active interest in this issue. He would know that the Minister for International Trade, on behalf of this government, has been consulting actively with the provinces of Canada regarding the position that we would put to the United States to change a situation which is unacceptable to Canada.

Our position is that it is going to be necessary for us to have the agreement and the co-operation of the principal provinces affected by this matter.

There is no announcement that I have to make at this stage on behalf of the Minister for International Trade, except to say that those deliberations in Canada are proceeding and that I think the position Canada intends to take regarding this question with the United States is known to the House.

[*Translation*]

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, my supplementary question is for the same minister. The softwood lumber industry in Canada is paralyzed by the 17 per cent rise in the Canadian dollar and the 15 per cent export surtax, making a total surcharge of 32 per cent. A hundred thousand jobs have already been lost in Canada.

Mr. Speaker, because this government created the problem, why is it refusing to solve it to help workers in Northern Ontario and throughout Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I believe that it is well known to

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all members who have followed this situation that this problem was not created by the Government of Canada but rather by the practices of some provinces. A problem arose and the government had to deal with it. Arrangements have been made with the United States. The present circumstances are not acceptable for us. That is why we began consultations with the provinces and it is also why we are seeking the support of the provinces most interested in the issue, so that when the Government of Canada makes representations to the Americans, it will be with the support of the great majority of the interests affected here in Canada.

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[*English*]

THE ECONOMY

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, today Statistics Canada released the latest casualty list of this government's economic policies.

My question is for the Prime Minister. Department store sales are down by over \$1.5 billion since December 1990. The combination of the GST and this government's kamikaze economic policies has led to the worst collapse in the retail sector in over 30 years.

How many more retail stores will have to go belly-up or how many more people will have to be thrown on the unemployment line before the Prime Minister comes to his senses and abandons his obscene economic policies?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as I have said on a number of occasions, we expect that the economy is going to stabilize by mid-year and that we will see a growth in the second half of the year. That is not an opinion that is exclusively held by the Government of Canada. The Royal Bank of Canada, the Conference Board and other economists have stated the same opinion.

There is a slowness in the economy right now, and we do not like to see that. We do see the policies we have been following, particularly the drop in interest rates we have seen continue today of about 4.25 percentage points since the peak last May. That is giving some life to the housing industry. We are going to see this carried through into other sectors of the economy, and it is that which will bring about that recovery.