

S. O. 31

took place during the pork dispute, Canada's rights will prevail.

My hon. friend asks with some great indignation and outrage whether we are going to do something about it. Are we going to have the courage to stand up and be counted? I will tell what we will not do. We will not follow the example of the Liberal Party when the Gulf war was declared where they said: "We will stand up and fight. We will stand up and fight for Canada, but at the first shot that is fired, we are bringing the troops home." That is appeasement, not what we are doing.

Hon. Audrey McLaughlin (Yukon): My question is for the Prime Minister. Since the Canada-U.S. trade deal—

Some hon. members: Oh, oh.

Mr. Speaker: The hon. member for Yukon has the floor.

Ms. McLaughlin: Since the Canada-U.S. trade deal came into effect, Canada has lost 400,000 jobs. The manufacturing sector has been devastated, the dollar has been at a very high level, much higher than when the trade deal was negotiated and trade relations with the United States, whether we are talking about Honda automobiles or softwood lumber, have never been worse. The softwood lumber tariff decision was the final kick in the teeth to Canadians. It is clear protests are simply not enough. My question is simple. Will the Prime Minister send a real message to the United States, withdraw from talks between Canada, the U.S. and Mexico and show that Canada will not be a part of bad trade deals?

Right Hon. Brian Mulroney (Prime Minister): My hon. friend says that we have lost a substantial number of manufacturing jobs and she is quite right. We have lost these jobs during this recession when we had the free trade agreement. In 1981-82, without the free trade agreement, we lost approximately twice the number of jobs.

Mr. Martin: But not permanent.

Mr. Mulroney: My hon. friend says "But not permanent." We just lost the jobs, they were not permanent. The argument could then be made that because of the free trade agreement, we have lost fewer jobs today than were lost in 1981-82.

Trade has increased, even though we have been in a recession. Trade with the United States has increased by \$35 billion approximately since 1988. It is going the right way. We have secured something that most other nations would give their eye teeth for; a dispute settlement mechanism in the trade involved with our greatest trading partner. This is a major acquisition. It has served Canada well and its absence would cause us enormous damage.

We think there are good parts and there are some that are less good in any arrangement. We believe that on balance this is a major advance for Canada and we propose to proceed to live with it, to strengthen it and to improve it.

Hon. Audrey McLaughlin (Yukon): The Prime Minister says this has been a good deal for Canadians. I believe he should talk to the 1.5 million unemployed Canadians. He should talk to the many women who have lost their jobs because of those sectors being affected by this trade deal. He should talk to those businesses that have gone bankrupt in Canada.

Last week we learned that the *Financial Post* has seen a copy of the bracketed trade agreement with Mexico. We know that the Canada-U.S. trade deal is a bad deal for Canada. Why will the Prime Minister not send a real message to Mexico and say we are pulling out of those talks until Canada can get a good deal in trade talks?

Right Hon. Brian Mulroney (Prime Minister): This is interesting. Here you have a socialist party that lectures everybody else in Canada on questions of morality and helping Third World countries with developing economies. We have an opportunity here to assist a developing country, provide for 85 million citizens, not through aid, but through trade, an exchange of technology. Liberalizing trade has always been the surest way to lift countries out of economic difficulty and out of poverty, to give them an opportunity to trade into industrialized markets. The NDP is saying: "Cut off developing countries like Mexico, don't do business with them". And why? Because they are poorer than we are, because their wage rates are lower than ours.