

Oral Questions

stood in the House and supported them, because the figures that Mr. Barrett used were erroneous.

Some hon. members: Oh, oh.

Mr. McDermid: As a matter of fact they were totally erroneous, and you will see that very clearly when the accounts are in. But I must say to the hon. member that I will make a deal with Mr. Barrett. If he renegotiates every one of the mortgages his bank has with the people who hold the mortgages on homes and reduces the interest rates for them so that money could go back into the economy, then maybe we will take another look at it here.

Hon. Herb Gray (Windsor West): Mr. Speaker, I will leave the acting minister to deal with someone who I would have thought to be his friend and supporter, the chairman of the Bank of Montreal.

If the acting minister and his government are sticking to the view that low interest rates alone are the basis for economic recovery, can he explain why for the second week in a row his government is supporting increases in the bank rate by the Bank of Canada and along with it an unnecessary propping up of the Canadian dollar? Why is he supporting this foolish course of action?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, as the hon. member may know, if he has been reading the financial papers, a brokerage company in the United States gave some advice based on false information that it should sell the Canadian dollar.

The bank moved last week to prevent a run on our Canadian dollar, which I think was a prudent thing to do. As a matter of fact it did that when the hon. member sat on the Treasury benches back when—Heaven forbid he should ever get there again—he was in government.

I might also point out that the bank rate today did increase but by only four one-hundredths of a penny. It is a levelling off period and a cooling off period and I think the bank made the right decision.

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TELECOMMUNICATIONS

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I have in my hand a copy of a confidential proposal on telecommunications services submitted by

the United States at the current GATT negotiations. The proposal would throw open Canada's doors to unfettered foreign competition and investment into our telecommunications market. It would strike a binding agreement for full market access and national treatment for domestic and international long distance services.

I would like to ask the Prime Minister what action Canada has taken to turn back this looming and portentous threat of American takeover of our Canadian telecommunications industry.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I am not going to comment one way or the other on some speculative proposal. We are right now in the fairly intense stages of negotiations on reduction of tariffs and also on the various offers for service.

We have our own position on this. Other countries have their own positions. We are putting forward those positions based on the advice we have received from our industry. It is on that basis we believe the position we have is a strong one and will be supportive of the interests of our domestic industry.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, annex 1404 of the Canada-U.S. Free Trade Agreement, which I also have in my hand, currently protects Canada's telecommunications industry from foreign competition. This new proposal is clearly a way for the United States to skirt the FTA provisions and gain access to Canada's telecom market.

Will the Prime Minister advise whether a similar proposal has been put forward by the United States in the new round of trilateral negotiations or will he advise whether he is once again selling Canada out?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the hon. member always resorts to some excessive language at the end of his question. Unfortunately it undermines the whole intention and impact of the question.

I would say to my hon. friend that the negotiations in NAFTA have not progressed that far. As I said in my previous answer, we are consulting very closely with the telecommunications industry, as well as with other industries, in support of any positions we put forward in the NAFTA negotiations. The positions that will be