

Have the Americans adhered to those rules? Yes, they have. In the one countervail case where a U.S. producer claimed that a Canadian social program...Unemployment Insurance to fishermen...was an unfair subsidy, the U.S. government said no, it was not.

That case was in 1985. Are the Americans saying something different today? No, they are not. July Bello, legal advisor to Clayton Yeutter, my counterpart in the U.S., repeated the basis for the 1985 ruling to a Canadian Press reporter in Washington yesterday. And Clayton Yeutter said earlier this year,

"[The question of subsidies and social programs] has never arisen in our conversation here, never, and I don't see it happening in the future...What we will have to do on subsidies must fit within the parameters of what people will agree to on an international basis."

And so, we end up where we began in this explanation, the rules under GATT.

How simple and easy it was for Mr. Turner and Mr. Broadbent to make their baseless charges, to frighten the old and the sick and the unemployed. How much more complex and difficult is it to explain why those charges are baseless, that their accusations are simply false. You could say that is politics, but it is the politics of fear. It is politics practiced in a way that is low and mean and unworthy.

Let me add on more point here. Simon Reisman received clear instructions from the Government in the Free Trade negotiations. No bargaining on social programs. They are not to be touched. They were not. And, I pledge once more here today, they will not be touched by any future negotiations on subsidies. That was, is and will continue to be the steadfast policy of this government.

Mr. Broadbent said,

"[Business people] have said...we have to compete with the U.S., so we have to lower our pension plans, we have to lower our medicare, we have to harmonize to the lowest common denominator, which is the U.S."