

*Oral Questions*

decision in Canada as to what we want to do with those developments.

[English]

The Leader of the Opposition asks me if there will be consultation with Parliament, the provinces, and industry. Yes, there will be. As I have said in the House on several occasions—

**Mr. Peterson:** When?

**Mr. Clark (Yellowhead):** I am asked by a Liberal member when. I think he was here the other day when I said that my colleague the Minister for International Trade would be appearing before the standing committee before the end of this month. He looks forward to the opportunity to discuss this matter with the committee.

[Translation]

**Hon. Herb Gray (Leader of the Opposition):** Mr. Speaker, could the Secretary of State for External Affairs clear up the contradiction between his explanation of the purpose of these discussions between the Minister for International Trade and his Mexican counterpart and the statement of the Mexican President who said the discussions are aimed at defining the conditions of a free trade agreement between Canada and Mexico. Why this contradiction?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Of course, Mr. Speaker, I cannot speak for the President of Mexico, but I can certainly speak for Canada and for my colleague the Minister for International Trade. Canada is not discussing with either the Americans or the Mexicans concerning a free trade agreement involving the three countries, nor have we begun bilateral talks on a Canada-Mexico free trade deal. We are simply gathering information about the objectives of both Americans and Mexicans with respect to their own views on a potential treaty between the two countries.

Should such a treaty become reality it might have implications for Canada. Canada wants to be kept informed as to what these implications might be for this country. Then, in light of that information, Canada will make its own decisions after public consultations with Parliament, the provinces, and whatever Canadian industry might be involved.

**ROUTE CANADA**

**Mr. Russell MacLellan (Cape Breton—The Sydneys):** Mr. Speaker, my question is directed to the Minister of Transport.

In the agreement of purchase and sale when the government gave away Route Canada, the government insisted that CN include a clause that would require the new owners to use their best efforts to carry on business for at least three years. That is because the government did not want the company to come tumbling down before the 1988 election, and the government considered a large number of lay-offs to be politically embarrassing.

Why does the government not admit that it was never concerned about the workers of Route Canada? It only considered these workers who were losing their jobs and political futures as nothing more than an embarrassment.

**Hon. Doug Lewis (Minister of Transport):** Mr. Speaker, I and everyone who understands anything about business reject completely out of hand the premise of my hon. friend's question.

I want to read from the letter from Canadian National to *The Toronto Star*. The only accurate way to get this on the record is to read it: "Our alternative"—this is CN—"to the sale was to close down CN Route and lay off all staff in 1985."

That is the alternative. It was losing \$40 million to \$50 million a year. That is the Liberal way of doing things. It could have continued to lose \$40 million to \$50 million. It could not get a Maislin-type loan, which was the Liberal-type way of doing things. The alternative was to sell it to Route Canada and give it an opportunity to try to make a go of it.

We acted in the best interests of the employees in all cases, in all the things we did subsequent to the agreement of purchase and sale being sold. I would think that in view of today's economy in the Atlantic provinces my hon. friend might have other things to ask about rather than something that is this old.

**Mr. Russell MacLellan (Cape Breton—The Sydneys):** Mr. Speaker, the Minister of Transport is saying that the best deal the government could get was to sell the