NORTH AMERICAN FREE TRADE AGREEMENT

Hon. Roy MacLaren (Etobicoke North): Madam Speaker, the government has repeatedly justified pushing NAFTA through Parliament before the negotiation of the side accords on the ground that the agreement would not be altered by the two side accords.

Now the United States has said NAFTA will be "modified" and "interpreted" by the side accords.

Does the minister not agree that this confirms what the Official Opposition has been saying all along, that the United States fully intends to alter NAFTA through the negotiation of the side accords?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, I am not quite sure to what my hon. friend is referring.

But I can say that time and time again the President of the United States, the President of Mexico, the Prime Minister of Canada, ministers responsible, have all said and agreed on many occasions that there will be no reopening of the NAFTA by any agreement among the three countries. What we signed on December 17 last year is what is being legislated.

Hon. Roy MacLaren (Etobicoke North): Madam Speaker, I do not know then what the United States means by the words "modified and interpreted".

Let me ask the minister this. Despite the fact that the negotiation of the two side accords on the environment and labour standards has already reached an impasse, the United States now says it will soon unveil its proposal for a third side accord on import surges, to which the Leader of the Opposition referred just a moment ago.

There is also growing pressure in some areas of Congress for a fourth side agreement on monetary policy co-ordination, whatever that may mean.

Were such issues discussed? Were import surges discussed at the recent Washington meetings? If so, what is the Canadian government's position? Do we oppose the idea of further side agreements on import surges and possibly monetary co-ordination or do we not?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, let me quote something from Reuters. "If you were to ask me if we've reached an impasse I would say no", said chief U.S. negotiator Rufus Yerxa.

On the question of monetary policy co-ordination, I have never heard of that. That may be something that someone in Congress has floated in the course of some comments on the NAFTA. It has never been a point of discussion and certainly would be a non-starter as far this government is concerned.

On the question of import surges I commented in relation to a question that his leader has put to me. The question of import surges was raised last October. The Americans have some views on it but we agreed that there would be no basis for discussing anything on import surges if it resulted in a reopening of the agreement. Ambassador Kantor has said on a number of occasions he agrees that the matter of import surges is well covered in the NAFTA agreement itself.

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THE ECONOMY

Mr. Douglas Young (Acadie—Bathurst): Madam Speaker, the recent finance minister's meeting resulted in the recognition that the debt and deficit situation in Canada is certainly a major crisis. Obviously the continuing shell game of offloading the tax burden from one level of government to another is not satisfactory.

• (1435)

I want to ask the Minister of Finance why his government has not considered convening a tri-level conference on debt and deficit management involving the provinces but also involving representatives of the Canadian Federation of Municipalities so that we can arrive at a consensus on how to resolve this serious problem.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I thank the hon. member for his suggestion. We have been attempting to put in place some process where we can achieve greater co-ordination and co-operation at the federal and the provincial levels.