

Oral Questions

Mr. Clark (Yellowhead): They say: Give it more time. You always have to judge the circumstances, and as far as we can see at this time, it is unlikely that these sanctions will have an impact on the people making the decisions in Iraq during the months to come.

If the New Democratic Party wants the United Nations to wait for months, that is their problem. We believe it is extremely important for the world, the United Nations and Canada to keep putting pressure on Saddam Hussein in order to make it easier to reach a peaceful solution to this problem, so that Iraq will withdraw peacefully from Kuwait.

Some hon. members: Hear, hear.

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[*English*]

TRADE

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, in the absence of the Minister for International Trade, I shall direct my question to the Prime Minister.

Yesterday the minister said that this coming week he would meet with the Mexican and United States trade representatives to discuss the proposed Mexico-Canada-U.S. trade agreement.

Any trilateral agreement must either reopen the existing bilateral agreement or else be limited to a narrow range of interests common to all three countries.

Will the Prime Minister indicate which alternative the government seeks? Which aspects of North American trade does the government want to see included in a trilateral deal?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, the minister has made it very clear many times in the House that Canada is seeking to have discussions with the United States and Mexico to see what form the negotiations would take and what form the agreement would take.

I can assure the hon. member that the free trade agreement that was negotiated between the United States and Canada will remain in place. Of course, if we can improve the free trade agreement to Canada's advantage, we would always take a look at that. But it is not anticipated that the free trade agreement negotiated

between Canada and the United States would be reopened.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, you can have the bilateral deal or you can have a narrow trilateral deal, but you certainly cannot have it both ways.

In the U.S.-Canada Free Trade Agreement this government conceded substantial sovereignty over our energy resources. By contrast, the United States has agreed with Mexico that its energy sector is not negotiable.

Does the government intend to negotiate a trilateral agreement in which Canada and Mexico would be equal with regard to energy? Why should Canada cede more sovereignty than Mexico in a trilateral deal?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, first of all, I think that the information that the hon. member has is incorrect. I do not know whether negotiations have started between Mexico and the United States and whether energy is included in that or not.

If the hon. member is reading the same newspaper clippings that I am, he is certainly interpreting them entirely different. I think his question is purely hypothetical and cannot be answered.

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[*Translation*]

GOODS AND SERVICES TAX

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my question is directed to the Minister of Finance. With respect to the GST, the Quebec Furniture Manufacturers' Association has to cope with an unfair method to rebate the sales tax on inventories. Will the minister give consideration to the recommendations of the association which accounts for 80 per cent of Quebec's independent dealers with a view to resolving this matter which may end up by forcing many of them out of business?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we have put into rules the basis on which we would provide a rebate in respect of federal sales tax that is to be paid on inventories which are in place on December 31.