

Oral Questions

Why has the Prime Minister not kept his commitment to Atlantic Canadians? Why does he continue to break his promises to the less favoured areas of our country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my right hon. friend, I am sure, would be aware that with regard to the crisis in the fishery in Atlantic Canada we responded immediately to the lay-off announcements last month and earlier this month.

We brought forward a package valued at \$130 million which includes programs of industrial assistance, a program for older workers and a Community Futures program. Areas selected for the special programs include Grand Banks and Trepassay in Newfoundland and Guysborough County, Nova Scotia, including Canso.

Among the available options in regard to the \$130 million are small business development assistance for new entrepreneurs, skills training and relocation assistance. A Community Futures committee is to be set up in each community to assess their needs and select from an appropriate range of program options.

This is the first step in a series of initiatives that are required both internationally and domestically in co-operation with provincial governments, the unions and the industry to make sure that the crisis that does exist in the Atlantic fishery is dealt with in a comprehensive and I think a generous manner. That is what we did in other areas of the national economy such as agriculture, and we will do no less for the Atlantic fishery.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, why does the Prime Minister not recognize, as his Minister for International Trade has already admitted, that any subsidies accorded to the fishery in Atlantic Canada to meet this crisis would be countervailable as an unfair trading practice under the terms of the agreement signed between him and the President of the United States?

Will the Prime Minister explain to the people of Canada why and which subsidies are no longer possible as a result of his having signed that agreement with the United States?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the subsidies to which my right hon. friend refers have absolutely nothing to do with the free trade agreement. My right hon. friend knows full well that the

reference is made to the GATT, which itself has the kinds of rules and limitations with which the right hon. gentleman ought to be familiar.

I point out to him, in regard to the kinds of initiatives that can be taken throughout Atlantic Canada that, for example, since February 15, 1988, ACOA has approved in Atlantic Canada 6,966 projects. It has committed \$670 million in federal support and leveraged \$1.8 billion in total investment, creating 18,000 new jobs in Atlantic Canada.

• (1420)

That is perhaps why this morning Premier Frank McKenna, the Leader of the Government of New Brunswick, said this, which I would like to put it on the record for my right hon. friend. I quote: "New Brunswick's economy is not in a crisis. Certainly we are having some short-term difficulty with the fish industry particularly and it's slightly softening the economy but it's not in a state of crisis".

This is the point that I have been trying to make. I believe it is a legitimate one. There is a very serious crisis in the fishery. There are other areas of Atlantic Canada where the progress is strong and certain. Let us keep building on those areas of strength and let us work with all to make sure that those in the fishery come out of this crisis.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, that kind of smug talk is no consolation to the fishermen of Atlantic Canada.

I would like to quote another premier and his own Minister for International Trade when they ruled out government subsidies for fishing plants in Newfoundland because any such deal could be challenge by United States fish companies as unfair competition under the free trade agreement. Mr. Speaker, I continue in this vein.

[*Translation*]

One of the consequences of the Free Trade Agreement with the United States is that we can no longer ensure that the fish we catch are processed in our own plants. By giving up our right to levy an export tax, we have also given up our right under GATT to protect our processing plants. Will the Prime Minister finally admit that is the case?