

Oral Questions

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): The Minister should know that the tariffs are there unless North American automotive companies meet Canadian job and production standards in Canada. If they do not, they have to pay the tariffs.

Speaking of ignorance, Mr. Speaker, the Minister has given an example unparalleled in this House by any Minister.

CONTENT OF U.S. OFFICIAL'S MEMORANDUM—FEDERAL-
PROVINCIAL RELATIONS

Hon. Herb Gray (Windsor West): Mr. Speaker, will the Government, as has been reported by Mr. Merkin, be attempting to get the provinces to agree to dismantling the Auto Pact by threatening to withhold federal revenues? If so, what are they for, medicare, housing, or day care? Why is the Government ready to make the seniors, the elderly, and the children of this country hostages to its blind, misguided desire to have a free trade pact with the United States?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the last question, is the federal Government threatening the provinces, is ridiculous. There is nothing to threaten them with. This Government has done more for national reconciliation than any Government in our history.

Second, the Hon. Member talks about the implementation of tariffs in the Auto Pact. I am shocked that he does not understand that the Auto Pact is operating way over the safeguard levels, 600,000 vehicles over the safeguard level—

Mr. Broadbent: That is a different question.

Miss Carney:—where those tariffs would kick in. Forty thousand more jobs are involved with the Auto Pact as it is functioning now than in the disastrous scenario which the Hon. Member predicts.

The Auto Pact is not on the table. It has not been put on the table. Canada will not put it on the table, and why won't the Opposition accept that?

Some Hon. Members: Hear, hear!

REDUCTION OF TARIFFS—EFFECT OF NEGOTIATIONS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to follow up with the Minister on the answers that she has just given. The Hon. Minister has said that the question of the Auto Pact is not being negotiated.

An Hon. Member: That is not it.

Mr. Axworthy: Whatever the question may be, let's go back to the statements by the Minister. Is it not true that the Government of Canada today, with the two negotiators in town, is negotiating a total reduction of tariffs between our two countries down to zero levels? Is it not also true that if that tariff reduction to zero applies to the Auto Pact then all the conditions, guarantees and safeguards that apply to the

Auto Pact will no longer be in existence? Therefore, the Auto Pact does not exist. Is that not a logical and necessary consequence of this Government negotiating away the tariffs on this matter and on all other matters? Will the Minister at least not agree to that simple and very common sense conclusion of what the Government is now doing?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, in response to the Hon. Member's question I can point out that the negotiators are talking about a hypothetical model of taking all tariffs on everything on a broad basis, except those areas that have been identified as sensitive, to zero. Can I also point out that automotive trade under the Auto Pact now operates effectively at zero?

• (1425)

Can I repeat the answer I gave in the House on March 16 about the safeguards? I said then and I say now that I want to assure the Hon. Member that the automobile industry in Canada is working well above the level of safeguards. If production ever fell to the safeguard level in the Auto Pact, this country and the Province of Ontario and that Hon. Member would be in trouble. That is what I said on March 16 and that is what I can repeat today.

GOVERNMENT POLICY

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would simply like to point out to the Hon. Minister that there is nothing hypothetical about negotiating away the jobs of hundreds of thousands of auto workers, of agricultural workers and of workers in the food processing industry. There is nothing hypothetical about having only two and a half months to go until a trade deal has to be signed.

Is the Government basically saying that it is negotiating in the common room and not negotiating in realistic terms about what kind of trade deal we will have with the United States? Is it not time the Government quit being hypothetical and get down to practical realities? Canadian workers' jobs are at stake. We would like to know, and I want to ask specifically—

Mr. Speaker: The Hon. Minister.

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, it is true that jobs are at stake in these negotiations. If we do not succeed, we could lose half a million jobs because of the protectionist trends in the U.S. and elsewhere. May I point out to the Hon. Member that all of the studies we have seen indicate that there will be an increase in jobs if we are successful in bilateral free trade with the U.S., and there will be a decrease in jobs if we fail.

AUTO PACT—TARIFF PROVISIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the same Minister. I say to the Minister as a preface that the people of Canada do not trust the Government