

*Oral Questions*

Quite frankly, as *The Toronto Star* pointed out: "The seeds of disaster were planted in 1975". That just so happens to follow that marriage of convenience that took place between the Liberals and the NDP between 1972 and 1974.

[Translation]

**Hon. Audrey McLaughlin (Yukon):** Mr. Speaker, no province ever signed a free trade agreement that cost the country more than 100,000 jobs, and no province created the excessively high interest rates that led to a record number of bankruptcies in this country.

I have a question for the minister. This country does not want any advice about the debt. What this country needs is specific steps to create jobs. How can the minister expect us to consider the debt problem when we have about 1.5 million unemployed in this country? How can we, with an unemployment rate of nearly 11 per cent?

[English]

**Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance):** Mr. Speaker, this is rather amusing. I find it strange that the hon. leader of the New Democratic Party would criticize policies like the free trade agreement and policies like the GST which are really the instruments that are driving the economy out of recession.

It is exports that are driving the economy. I know the hon. member does not believe in liberalized free trade. She believes we can build a wall around Canada and trade our way to prosperity. That is not the way we feel about it. The fact of the matter is the trading initiatives, thanks in large part to the free trade agreement, and in large part the contribution of the GST in improving the competitiveness and productivity are the two most important features which are driving this economy out of recession.

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• (1435)

### TRADE

**Hon. Roy MacLaren (Etobicoke North):** Mr. Speaker, a number of trade experts from the C.D. Howe Institute to the government's own recent prosperity initiative have identified as the central weakness of the North American free trade agreement the continuing absence of a

common set of trading rules. Yet the minister has said that Canada cannot propose a parallel accord on such common trade rules in the current negotiations with Canada and Mexico because, and I quote: "Any change in the subsidies code would entail reopening the agreement".

Why does Canada not propose a parallel accord on subsidies? Can the minister explain why a parallel accord on subsidies proposed by Canada would entail reopening the North American free trade agreement while parallel accords on the environment and labour proposed by the United States do not reopen the agreement?

**Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade):** Mr. Speaker, trade rules are at the heart and core of a free trade agreement. Rules related to the environment or labour matters are not at the core of a free trade agreement. If you want to have changes in the rules on the subsidies or countervail or anti-dumping, you have to reopen the agreement. That is logical.

If my hon. friend says he wants to reopen the agreement, what is he prepared to give up? What is he prepared to change? The Americans are seeking changes in the cultural exemption. They are seeking changes in the supply management system. The members of Congress are seeking changes in the dispute settlement mechanism. Those are the three priorities that the Americans want. Which one of those would my hon. friend give up in return for changes in the subsidies code?

**Hon. Roy MacLaren (Etobicoke North):** Mr. Speaker, the minister says that parallel accords on the environment and on labour standards are virtually meaningless. Let us be clear on this. He says that they are not central to the agreement, but that a subsidies code, which we do not have and he has never negotiated, is central to the agreement but he cannot get it.

If Canada cannot propose a parallel accord on subsidies, on common trading rules, the least the minister can do in the negotiations which resume next month is to propose a trilateral panel to work out a common set of trade rules. How can Mexico and the United States refuse to participate in such a panel? Why does he not take that initiative to represent Canadian interests?