

in job creation. We did that because we got the fundamentals right.

We can do the same thing by getting the fundamentals right, by doing the things that we have done in the budget and by doing the things that the government of Prince Edward Island is doing, the government of Manitoba is doing and I am sure that many other provinces are doing, with the exception of the socialist provinces which really believe in spending their way out of this difficulty and taxing Canadians into prosperity. I do not subscribe to that position.

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TRADE

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the government has never explained to the Canadian people its specific objectives in the current trade negotiations with Mexico and the United States. For example, it continues to remain unclear whether this government intends to hold the line against the United States demands for a higher North American content in such sectors as automobiles, textiles and electronics.

Will the government refuse to sign a trilateral agreement if the price is in fact higher North American content?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member knows full well that Canadian tariffs against Mexico right now are virtually all gone. There is virtually none left. Mexican tariffs against Canada are substantial and across a wide range of goods. Why would one not negotiate the removal of Mexico's tariffs if one could do it?

This particular agreement will allow us to become, if we negotiate it properly, and the minister is doing that carefully this week and will do so in the future, a preferred site for investment for all of North America. Those are our objectives and we are confident we will achieve them.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, evidently the minister did not understand the question. I did not ask about tariffs. I asked about North American content. It is quite a different question. Perhaps we

should wait for the return of the minister of trade to get an answer.

I will try again and perhaps this time the minister will understand what it is I am speaking about.

An hon. member: Speak slowly, Roy.

Mr. MacLaren: I will speak very slowly. The minister should know full well that the United States is demanding higher North American content which is intended to protect jobs and manufacturing interests in the United States and would discourage future investment and future jobs in Canada as well as in Mexico.

If that is the case, has the government got a bottom line beyond which it will not go, or is it looking at a separate Canada-Mexican agreement if it will not accept the U.S. demands for higher U.S. content?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I do not know if this is in order or not, but we have in the gallery gold medal winners, silver medal winners, bronze medal winners from the Canadian Olympic team.

Some hon. members: Hear, hear.

Mr. Hockin: We have a gold medal winner right here too.

An hon. member: He is out of shape now.

Mr. Hockin: Mr. Speaker, we know that Canadians can compete and Canadians can win. The hon. member stands up and quotes an American negotiating position and wants to give up the negotiations. He is even afraid to negotiate with the Americans because they suggest something different than we suggest. We are not afraid to compete and win.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my question is for the same minister. In the continuing negotiations on the North American free trade agreement I want to ask the minister what his objectives are regarding financial institutions?

Will the industry be treated better than it was under the Canada-U.S. Free Trade Agreement which gave American industry a clear advantage? Why are Canadians being kept in the dark about this issue?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, that question comes close to being sensible. It is very seldom in this House that hon. members ask about financial institutions.