

*Oral Questions**[English]*

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it would be interesting inasmuch as my hon. friend speaks so disparagingly and contemptuously today of the President of the United States.

Did he say that to George in the Oval Office when he was down there? When you were down there, were you acting—

Some hon. members: Oh, oh.

Mr. Mulroney: He was down there, Mr. Speaker: "Yes, Mr. President. I am so happy to see you. Thank you for having me in the Oval Office."

Then he comes back talking like a big shot. Then he comes back

[Translation]

with his public relations exercise.

[English]

He forgets that we saw him in such a supine position in Washington.

Some hon. members: Oh, oh.

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AUTOMOBILE INDUSTRY

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, yesterday the minister of trade said there is "some flexibility" on the question of U.S. demands for an increase in the North American content requirements on automobiles. Yet in 1990 the minister of trade said: "Most of the cost of increasing the content rule will fall on Canada while most of the benefits will be reaped by the United States".

Why has the government changed its position? Has the government prepared a study of how this decision will deter new investment or even the expansion of existing plants in Canada?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, perhaps we should make it clear that there has been no agreement to date on this particular issue.

In terms of where the Government of Canada would settle on this issue, we should make it clear that the Canadian auto workers, the Canadian parts manufacturers and the three large assemblers all want a higher content ratio than the 50 per cent negotiated under the

free trade agreement. We know that we want to listen to them.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, yesterday the minister of trade said: "We should maintain Canada as an attractive place for foreign car manufacturers to invest". A spokesman for Honda immediately responded by saying: "It is quickly becoming more sensible to invest in the United States rather than risk the problems associated with assembling cars in Canada".

I ask the minister: Is the government's policy to maintain the agreed level of North American content or is it to concede to the United States becoming the hub of a more protectionist North America?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, what we have always been after in the North American free trade agreement is the best deal possible for Canada. There are of course two sides to this.

We know the position of the transplants and we have to take that into consideration. We also know the position of the rest of the Canadian industry and we must acknowledge that.

What we are trying to do is to find an agreement that will satisfy both sides of this. Where the United States wants to go is not the issue. It is where does the Canadian industry want to go. That is our question.

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TRADE

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, my question is to the Prime Minister. I cite some of his recent quotes before and after a visit to Washington.

Referring to American trade harassment, the Prime Minister has said that he might accept it from some tin-pot dictator in some tiny little country somewhere. He refers also to low-level bureaucratic harassment. Upon his return to Ottawa he stated: "I am confident that frivolous and vexatious American trade actions will cease".

Strong and confident words, but now they ring hollow. Americans will place their good Canadian friends with Korea, Japan and a host of other countries and charge our suffering, fair-trading Canadian steel makers with dumping.