

*Inquiries of the Ministry*

a definite time within which the government's policy on this very important subject will be announced.

**Mr. Trudeau:** No specific assurance as to time, but the policy announcement will come soon.

FOREIGN INVESTMENT—REASONS FOR DELAY IN  
ANNOUNCING POLICY

**Mr. David Lewis (York South):** Mr. Speaker, may I ask the Prime Minister whether the delay in announcing the policy on foreign investment is caused by editing of the background paper or is the reason for the delay that legislation and criteria for the screening agency are being prepared?

**Right Hon. P. E. Trudeau (Prime Minister):** A variety of things which, all together, will make up the totality of the government's announcement in this area.

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TRADE

CANADA-UNITED STATES—POSSIBLE RESUMPTION OF  
NEGOTIATIONS—DISCUSSION WITH PRESIDENT NIXON  
DURING VISIT

**Mr. David Lewis (York South):** Mr. Speaker, with regard to the meeting of the Prime Minister with the President of the United States may I ask the right hon. gentleman whether there was any discussion of the trade negotiations in view of the statement made by Mr. Ziegler, I believe, that the President and the Prime Minister had agreed to review their positions. Was that statement the result of a discussion between the two heads of government on the specific matters in the trade negotiations?

**Right Hon. P. E. Trudeau (Prime Minister):** Yes, Mr. Speaker, the President and I did discuss trade matters and the matter of imbalance of trade. The President stated publicly his position on a long-term imbalance. He stated to me that he felt the present deadlock between the two countries should be broken out of and both of us agreed to review our positions with a view to resuming negotiations, if possible.

**Mr. Lewis:** Does the agreement to resume negotiations to break out of the deadlock mean that the Prime Minister informed the President of the United States that the government of Canada is prepared to grant some of the concessions or parts of some of the concessions that the United States negotiators are demanding, and did the President continue to demand that the present imbalance between Canada and the United States must be corrected, disregarding his general statement about the future which of course anyone would have to grant to any country in the world?

**Mr. Trudeau:** In the short-term, Mr. Speaker, the President did spell out the type of problem the United States is meeting at the present time with its balance of payments and expressed the hope which has been there since last August that various countries would help or would contribute to the United States in its effort to improve its

present economic situation. I repeated that it was Canada's intention to contribute in any way we could to the improvement of their position, knowing full well that a healthy economy in the United States is pretty important to Canada. But as to the concrete aspects of what this meant on his side and on our side, we did not enter into any great details. The President showed no desire to go into the details of the negotiations, nor did I. We both agreed it would be important to prevent this non-resolution of the situation from hardening. We both agreed, as I said, that we should each review our own position.

**Hon. George Hees (Prince Edward-Hastings):** Mr. Speaker, I have a supplementary for the Prime Minister. During President Nixon's visit did the President advise the Canadian government that the position of the United States government as outlined by Secretary Connally on February 9 in the following words, that "the United States will seek appropriate means of reducing imbalances of trade with Canada", has changed in any way and, if so, in what way has the United States position changed?

• (1420)

**Mr. Trudeau:** Mr. Speaker, the President did not refer to this statement by Secretary Connally. As I just said to the leader of the New Democratic Party, we talked of the desire on both sides to resume negotiations. We thought that the best way of doing it was for each of us to tell our people—I assume President Nixon will tell Mr. Connally that he should review the package—that we should review the package, which we will do.

**Mr. Hees:** Did President Nixon assure the Canadian government that the American government does not intend to take unilateral action to correct the imbalance of trade, such as adding a 7 per cent tax on new Canadian cars entering the United States or cancelling the exemption from the interest equalization tax which Canada now enjoys, as has been widely rumoured?

**Mr. Trudeau:** The President of the United States made no threats to Canada, Mr. Speaker, nor did I make any threats to the United States.

**Mr. Hees:** Did the Prime Minister not bring up these very important matters with the President, or did he just indulge in pleasantries meaning nothing but I hope my people will vote for me and I hope I can help you get elected?

**Mr. Trudeau:** Mr. Speaker—

**Mr. Speaker:** Order, please. The Chair will recognize the hon. member for Spadina.

CANADA-UNITED STATES AUTO PACT—POSSIBLE  
REVIEW OF CANADIAN POSITION FOLLOWING  
PRESIDENT NIXON'S VISIT

**Mr. S. Perry Ryan (Spadina):** Mr. Speaker, my supplementary question is directed to the Prime Minister. As a result of the talks with President Nixon, is the government now reviewing its position on the auto pact and, if so, can the Prime Minister say when a new position will be defined and made public?