

INDUSTRY

AUTOMOBILES—DISCUSSIONS WITH INDUSTRY ON PRICE INCREASES ON 1973 MODELS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the new Minister of Industry, Trade and Commerce. In view of the fact that after the existence for seven years of the auto pact Canadian consumers are still paying an average of about \$300 more per car than they should be paying, can the minister report to the House on the success of his talks with General Motors and the Ford Corporation concerning their unjustified price increases for the 1973 models?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I will be very pleased to do that. The first point that has to be emphasized is the government's commitment to the whole question of narrowing that price differential. There are two aspects of the pricing that should be understood. They are important.

An hon. Member: Oh, oh!

Mr. Gillespie: If you want an answer to the question, you will have to give me time to reply. There are two aspects, those that are associated with safety and emission controls and those that are associated with economics. I think the second point is the one that is important to the House. The United States has a price commission. The United States price commission—

Mr. Speaker: Order, please. I apologize to the minister for interrupting. I have to take into account the nature of the question asked by the hon. member, which was very general in nature. I assume it would be somewhat difficult for the minister to answer that question without making a statement on motions. I hope the minister can reply briefly because we will be running short of time very soon. The minister might indicate whether he proposes to give the information on motions on some other occasion.

Mr. Gillespie: Mr. Speaker, I think I can give a quick answer.

Some hon. Members: Hear, hear!

Mr. Gillespie: In my speech during the debate on the Speech from the Throne I can elaborate on this. The point is that the United States okayed an increase with respect to costs of safety and emission controls for the United States. This was followed by the United States companies' subsidiaries in Canada announcing an increase. The second application for a price increase in the United States is with respect to economics. This has been made to the United States Price Commission. Three per cent has been requested.

Mr. Speaker: Order, please. I have to interrupt the minister's short reply.

Some hon. Members: Hear, hear!

Mr. Broadbent: I have a supplementary question. I see that the spirit of the Hon. Jean-Luc Pepin remains in the House.

Some hon. Members: Hear, hear!

Oral Questions

Mr. Broadbent: In view of the minister's failure to get any concessions from the companies, can he inform the House whether the cabinet discussion on the removal of the duty between Canada and the United States for importing cars has led to a final rejection of that proposal as one means of bringing down prices or is the government still considering that as one means?

Mr. Gillespie: On the contrary, Mr. Speaker, we did get a commitment. That is the point I was making. The two Canadian companies, General Motors and Ford, have given me a commitment that there will not be any increase with respect to economics regardless of how much that increase may be in the United States. That is a firm commitment.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, I rise on a point of order. The minister has misinformed the House. My question concerns the announced increases which have already taken place. They have not gone back on that. My understanding is they told the minister they were going to maintain the prices they announced some weeks ago.

• (1200)

Mr. Speaker: Order, please. That is hardly a point of order. It is a point of debate between the minister and the hon. member. As I said, we are running short of time and we should try to get in a few brief questions and brief replies. I recognize the hon. member for South Shore.

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ENERGY

GAS AND OIL RESERVES OFF EAST COAST—INQUIRY AS TO AGREEMENT WITH ATLANTIC PREMIERS ON DIVISION OF REVENUES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I am not sure whether I should direct my question to the Prime Minister or to the Minister of Energy, Mines and Resources but possibly one or the other might reply. In view of increased evidence that reserves of gas and oil off the east coast are larger than originally anticipated, has the federal government reached any formal agreement with the premiers of Atlantic Canada concerning an equitable division of royalties between the provinces and the federal government?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The House will recall that in August of last year a committee of officials was established by the federal government and the four Atlantic provinces and Quebec to explore this and related complex questions. The committee has met several times but the final report has not yet been completed. We anticipate there will be further meetings for that purpose.