

*Inquiries of the Ministry*

[Later:]

**Mr. Broadbent:** Following his answer, will the Prime Minister inform the House if my interpretation is correct? Is the Prime Minister saying to the House—that the government is not willing to commit itself to the maintenance of the safeguards that currently exist in the Canada-U.S. auto agreement?

**Mr. Trudeau:** As in all negotiations, Mr. Speaker, there are some important issues and some which are less important. I will not say that the Canadian government is not at all times prepared to discuss with the United States the application of the auto pact as the pact provides. As far as it is concerned, the federal government has no intention to draw away from any of the benefits which have been so great under the auto pact initiated by a previous Liberal government.

UNITED STATES IMPORT SURTAX—REPEGGING OF  
CANADIAN DOLLAR

**Mr. G. W. Baldwin (Peace River):** I have a supplementary question for the Prime Minister. In view of the statement made by the Undersecretary of the Treasury to the Senate committee this morning in Washington that certain fundamental conditions will have to be met before the import surtax is removed, has it been made known to the Canadian government that the repegging of the Canadian dollar at a rate satisfactory to the IMF or the United States government is one of those fundamental conditions?

**Right Hon. P. E. Trudeau (Prime Minister):** This question was asked last week, Mr. Speaker, and answered in the negative by the Minister of Finance.

CANADIAN EXPORT ASSOCIATION REQUEST FOR  
DOMESTIC EXPORT CORPORATION AND TAX  
REDUCTIONS

**Mr. S. Perry Ryan (Spadina):** I have a supplementary question for the Prime Minister. Is the government going to accept the request of the Canadian Export Association of Montreal that the government establish a domestic export corporation of its own and immediately reduce personal, corporate and sales taxes to improve the export price of our products and stimulate domestic demand as well?

**Right Hon. P. E. Trudeau (Prime Minister):** I have not seen that suggestion, but if the proposal is that we do so even before the United States acts the answer of the government would obviously be no. At the very outset of this whole affair we said that we were not prepared to embark upon a trade war, and certainly we would not want to start one by the establishment of such a proposal. The government cannot regret the setting up of such an institution by other countries and then proceed to do the same itself.

[Mr. Trudeau.]

MEASURE TO ASSIST INDUSTRIES AFFECTED BY  
CANADIAN DOLLAR APPRECIATION AND UNITED  
STATES TAX CREDIT MEASURE

**Mr. S. Perry Ryan (Spadina):** As suggested by the general manager of the Canadian Electrical Manufacturers Association, is the government considering measures to assist industries that have been damaged by the 8 per cent appreciation of the Canadian dollar and the 10 per cent disadvantage caused by the United States tax credit measure and, if so, when will an announcement be made?

**Right Hon. P. E. Trudeau (Prime Minister):** The answer to the first part is no, Mr. Speaker. With regard to the second part, the hon. member knows there is a bill before the House, now in committee, which is the government's answer to that.

**Mr. Speaker:** Order, please. There are six or seven members seeking supplementaries. If we are going to consider other subjects, I suggest to hon. members that for a few moments we might try to touch on other matters of interest to hon. members and attempt to return to this subject later. For the moment the Chair will recognize the hon. member for St. John's East.

EMPLOYMENT SUPPORT BILL—EQUITABLE  
DISTRIBUTION OF FUNDS AMONG PROVINCES

**Mr. James A. McGrath (St. John's East):** My question is for the Prime Minister. In view of the fact the House has given approval in principle to Bill C-262, can the Prime Minister assure the House that an equitable method of distribution will be figured out for the money available under Bill C-262? I am thinking now of the statement made over the weekend by Premier Bourassa in which he predicted that the province of Quebec would be receiving approximately one-third of the funds under this bill.

• (3:00 p.m.)

**Right Hon. P. E. Trudeau (Prime Minister):** The answer is yes, Mr. Speaker.

**Mr. McGrath:** Does the Prime Minister or does the Minister of Finance intend to sit down with the heads of governments in Canada, particularly with the Atlantic premiers and the premiers of the western provinces, to discuss an equitable distribution of these funds so they can plan accordingly?

**Mr. Trudeau:** There has been a great deal of consultation, particularly with those responsible for the industries concerned. As was said earlier this session, I have talked with some of the premiers about the provisions of the bill and I am sure that various ministers have also talked with their opposite numbers. There has been any amount of consultation at the request of the parties involved. I do not know whether the hon. member is suggesting particular meetings in addition to those which have already taken place.

**Mr. McGrath:** A further supplementary question, if I may. Can the Prime Minister assure the House that other parts of the country in addition to Quebec and Ontario will receive just consideration in connection with this bill?