

*Inquiries of the Ministry***ORAL QUESTION PERIOD****TRADE****UNITED STATES IMPORT SURTAX—INQUIRY FROM VISITING AMERICAN OFFICIALS AS TO OBJECTIVE, GRIEVANCES AND PRECONDITIONS FOR LIFTING**

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I direct my question to the Minister of Industry, Trade and Commerce. Since top United States trade officials are in Ottawa to meet our people today, will the government formally inquire as to what the U.S. government hopes to achieve by the surcharge, and will attempts also be made to find out whether there is a list of grievances and preconditions for lifting the surcharge as it applies to Canada? I ask this question in view of repeated statements by the government that it does not know what the United States wants to achieve.

Mr. Speaker: Order, please. Of course the question is in order only so far as the first part is concerned. Perhaps the minister might like to reply to that.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, it is too early to know these things yet. The meeting that is taking place today between Canadian and United States officials is exploratory or preliminary, but this is the sort of subject that will be raised. It is too early to know what the list of matters will be that may be provided by officials on the other side.

POSSIBLE IMPOSITION BY UNITED STATES OF EXCISE TAX ON AUTOMOBILES IMPORTED FROM CANADA—AUTO PACT SAFEGUARDS

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, since the United States Senate finance committee has given President Nixon authority to apply an excise tax on cars imported from Canada, will the government urge him not to initiate this tax or, alternatively, is the government prepared to consider genuine and complete free trade in automobiles as has been suggested in some United States quarters?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, our opinions are very clear on this subject. What is suggested by the committee if it should become law, would be contrary to the Canada-U.S. automotive agreement. I remind the House that this proposal is only at a very preliminary stage. Approval by the full Senate, a House-Senate conference to iron out differences and a subsequent vote by both Houses on an agreed version, if any, must still occur before any of these provisions becomes law. So it would be like the motion that was presented a moment ago. It is too early in the game, if I may use that word, to raise the issue formally.

Mr. Baldwin: You want to wait until the axe falls.

Mr. McCutcheon: Mr. Speaker, will the government express a clear position on retention of the auto pact safeguards both to these officials and to this House, or is this feature negotiable?

[Mr. Foster.]

Mr. Pepin: It is being negotiated, as I have said on a number of occasions before.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I should like to ask a supplementary question of the Minister of Industry, Trade and Commerce. As he knows, in the United States process all the steps he has indicated are necessary can be rapidly taken as a matter of national urgency. With this in mind, in the current negotiations taking place in this city has the government informed the United States officials that in its view the proposed excise tax does contravene the Canada-U.S. automotive agreement?

Mr. Pepin: Mr. Speaker, if the hon. member had listened to the first part of what I said he would have heard the answer to his question.

AUTOMOBILES—ALTERNATIVE PLANS TO PROTECT INDUSTRY IN LIGHT OF POSSIBLE UNITED STATES EXCISE TAX ON IMPORTS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I will try again, and I did listen with care. In light of the possibility of the United States taking action in accordance with the excise tax proposal, does the government of Canada have alternative plans or proposals in mind that could be used to protect the automotive industry in Canada?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I think it is too early to talk about this subject. Discussions are going on between Canada and the United States on this matter at the present time and have been going on for a number of months. The Minister of Finance has just reminded me that even if such a bill were passed in the Senate and in the House of Representatives the President would still be free to implement the recommendation or not to do so.

AUTOMOBILES—CONSULTATION WITH ONTARIO AND QUEBEC AUTHORITIES RESPECTING NEGOTIATIONS WITH UNITED STATES

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct a further supplementary to the Minister of Industry, Trade and Commerce. Because of the prime importance of this industry to Ontario and to a lesser degree to Quebec, have the provincial authorities been brought in as consultants? Are they working with the federal government or are the negotiations strictly on a unilateral basis between the federal government and the government of the United States?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the relations between my department and the Department of Commerce of the Ontario government, for example, are good. Personally, I have met with Mr. Grossman, the Minister of Trade, three times in the last three or four months. This is the kind of subject that can be brought up by the Ontario or Quebec governments at any time they feel like. The other day when speaking to the Minister of Finance for Ontario I said I was willing to see him today, tomorrow or yesterday for that matter. We are very accessible, and if he wants to