

Oral Questions

That is me.

—that there is not a political determination in the decision-making process when I approve or reject a proposal or project.

Would the Minister confirm that Mr. Joe Volpe, the person he spoke of meeting about the grant, on May 11 declared that he was a leader of a block of delegates who threw their support to him as leadership candidate for the Liberal Party? Would the Minister also explain to the House, and to the Canadian people, the ethics of his spending \$583,000 of our money to buy 25 votes for his leadership aspirations?

Some Hon. Members: Shame!

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I can confirm the first statement, that is to say, when the decision was taken on the grant to the Canadian Alliance for Italian Integration and Culture, I was not aware of the political affiliations of the people who were presented with that grant. That is a matter of fact.

With respect to the second part of the reference, I would have to check to see what it is. However, the fact of the matter is that when the grant was approved I was not aware of the political affiliation of the people concerned.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF ITALIAN MINISTER OF STATE FOR FOREIGN AFFAIRS

Mr. Speaker: I call the attention of the House to the presence in our gallery of a distinguished visitor, Senator Susanna Agnelli, Minister of State for Foreign Affairs of the Republic of Italy.

Some Hon. Members: Hear, hear!

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TRADE

IMPORTATION OF KOREAN AUTOMOBILES

Mr. Joe Reid (St. Catharines): Mr. Speaker, in the light of your earlier admonition I will go directly to the Minister responsible for International Trade. The Government has apparently already rejected the automobile task force study in favour of negotiated automobile restraint sales by Japan in Canada. This being so, may I ask the Minister what justification there is in the Government's encouragement of the dumping, duty free, of Korean automobiles into Canada? Is it anything less than something which would impair the negotiations with Japan? And is it anything but contrary to Canada's idea of fairness and fair trade?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, I would like to explain to Joe—

Some Hon. Members: Oh, oh!

Mr. Regan: —to the Hon. Member, that the situation is much more complex than the way he has presented it. Canada has always, like many other developed countries, given some preferential tariff treatment to those countries which are undeveloped and are attempting to pull themselves up by their own boot straps. This has been a general policy. Korea has benefited from that policy in a number of ways. In the past it did not export any motor cars to Canada. Indeed, it was only recently that it started to do so. This year the Pony has entered the Canadian market and it is anticipated that fewer than 10,000 will be sold in Canada in the current year.

If Korea becomes a very serious entrant into the Canadian market, the question of how those special policies affect it as against other exporters of motor vehicles to Canada, will have to be very seriously examined by the Government. There is no question about that. However, we are in the position that at the present time the only quota restrictions on the importation of vehicles into Canada are those that apply to Japan, based upon the fact that the Japanese had achieved such a serious percentage incursion into the Canadian market without having made any significant investments here.

What we want to do in relation to the Japanese is to continue our negotiations, which the Minister of Industry has been carrying on, in order to bring about Japanese investment in our market, if it is going to share in it to such a large degree.

Other European car manufacturers which have a very small place in our market, like the Koreans, are not subject to quantitative restrictions.

EFFECT ON CANADIAN AUTOMOTIVE INDUSTRY

Mr. Joe Reid (St. Catharines): Mr. Speaker, my supplementary question is directed to the same Minister. I want to remind him that jobs and unemployment are still at the top on the agenda of concerns of Canadians. Might I also add that the concern of the automobile industry is a matter of major importance. Where is there any fairness in admitting into this country these Korean automobiles which sell for less here than in the country of their origin? Will the Minister keep in mind that there is an automobile industry out there which is concerned with the inroads made into our domestic market by the Japanese and other foreign manufacturers, especially when I hear the Minister accepting the position that the Government will encourage the dumping of automobiles into Canada?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, if the Hon. Member heard me encouraging the dumping of cars into Canada, then he was listening to the wrong sound system. I believe he was tuned into the wrong station. That is not the case at all. And it is the first suggestion I have heard that there is any element of dumping in the pricing of the Korean Ponys in this market.

However, in relation to the reference which the Hon. Member made to the Canadian automobile industry, I believe if he takes the time to go and speak to the principal people