

Inquiries of the Ministry

was an agreement involving suspension of the safeguards in the auto pact between Canada and the United States for two years. My question for the minister is: Has such an agreement been reached, and is the position being put forward by the government of Canada to the United States one that would involve a suspension of the safeguards in the auto pact for two years?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): There is no such agreement, Mr. Speaker. I do not know what the Secretary of State for External Affairs could have said to lead to that interpretation, but there is no agreement on the auto pact between Canada and the United States at this time. If there should be an agreement it will be announced in the proper way.

Mr. Broadbent: Mr. Speaker, I suspect that the minister misheard my question. Is the government proposing to the United States—I did not ask whether it had reached an agreement with the United States—a suspension of the safeguards in the auto pact for a two-year period?

Mr. Pepin: Mr. Speaker, what our position will be on this matter is not to be announced this morning.

Mr. A. D. Hales (Wellington): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. Following his meeting yesterday with mayors of Ontario cities—Kitchener, St. Catharines and others—who are very concerned about removal of the safeguards in the auto pact, can the minister advise the House whether he sent the mayors home with the assurance that the safeguards will be maintained?

Mr. Pepin: I have not yet learned to read faces, Mr. Speaker.

CANADA-U.S. AUTO PACT—REQUEST FOR SUBMISSION
OF PROPOSALS TO PARLIAMENT BEFORE FINAL
DECISION TAKEN

Mr. Max Saltzman (Waterloo): I have a supplementary question for the Minister of Industry, Trade and Commerce. Will he assure the House that no agreement will be made or final decision taken until he brings the proposals to Parliament?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I said something to that effect on May 21, 1970, I think it was.

CANADA-U.S. AUTO PACT—CONCESSIONS SOUGHT BY
CANADA FOR REMOVAL OF SAFEGUARDS

Hon. George Hees (Prince Edward-Hastings): A supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. We are running short of time but I will recognize the hon. member for Prince Edward-Hastings on a supplementary.

Mr. Hees: Would the minister advise the House what concessions the Canadian government is trying to persuade the United States government to give in payment for removal of the safeguards in the auto pact, which it is obviously trying to do?

[Mr. Broadbent.]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the position on that is that the United States has a number of minor "irritants" with Canada on the auto pact for example and similarly we have a number of minor "irritants" as far as the United States is concerned. We will try to solve as many as possible during subsequent days.

• (12 noon)

CANADA-U.S. AUTO PACT—PRESSURE BY UNITED
STATES FOR REMOVAL OF TAX ON VEHICLES IMPORTED
INTO CANADA BY INDIVIDUALS

Mr. S. Perry Ryan (Spadina): I have a supplementary for the Minister of Industry, Trade and Commerce. Are United States officials pressing Canada to remove the 15 per cent tax imposed on vehicles imported by individuals into Canada from the United States and, if so, what is the position taken by the government?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): This is part of the discussion in connection with the automotive agreement. The United States officials think that the safeguards, including the ratio, the Canadian value added and the tariffs were temporary. We say that the tariffs, at least, were a permanent feature of the agreement. This is part of the discussion which is going on between the two governments. Any reaching of a conclusion will be announced in the proper way. I was referring a moment ago to the answer I gave in May, 1970, when I said I would take the House into my confidence before finalizing anything on the auto agreement with the United States.

Mr. Max Saltzman (Waterloo): May I ask the minister to clarify what he means by taking the House into his confidence? Does he mean that no final decision will be made until approval has been given by the House?

Mr. Pepin: No, Mr. Speaker. I remember vividly I said no to that question. The hon. member commented, at the same time, "How frank can the minister be?". I did not say that I would ask for approval of the House. I said I would take the House into my confidence, but a decision would not be conditional on the approval of the House.

Mr. Speaker: Order, please.

Mr. Ryan: Is the government determined to maintain the embargo against the importation of used cars into Canada by individual Canadians?

Mr. Pepin: That is one of the positions which will presumably be taken by the United States negotiators. They feel that the tariff and embargo on the flow of used cars between Canada and the United States is not necessary. That is not the position I take.

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INDUSTRIAL DEVELOPMENT BANK

SUGGESTED ACTION TO BRING INTEREST RATES IN LINE
WITH THOSE OF COMMERCIAL BANKS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Finance. In his absence perhaps I