

to limit further aggregate demand, particularly in view of the fact that there are now 904,000 unemployed as of May and the unemployment rate is forecast to increase? How is he going to carry out his and governor Bouey's policy and that of the seven samurai?

**Mr. MacEachen:** Madam Speaker, the communique at Venice stated that determined fiscal and monetary restraint is required to break inflationary expectations. That is the commitment that all of the seven made at Venice and with which Canada concurs.

At the present time, as the hon. member knows, the Bank of Canada is operating under a system of monetary restraint within a range of monetary targets. That certainly is monetary restraint, and I have indicated the intention of the government to restrain spending and to avoid adding to the deficit. That, in my view, is the reverse side of stimulating aggregate demand.

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### INDUSTRY

#### CANADA-U.S. AUTO PACT—MEASURES TO STIMULATE CANADIAN AUTOMOBILE INDUSTRY

**Mr. Otto Jelinek (Halton):** Madam Speaker, my question is to the Minister of Industry, Trade and Commerce. As he knows, one of the more damaging aspects of our over-all economy is the deteriorating auto industry, which has a \$4 billion Canadian trade deficit with the United States, which is growing. Reports from Washington indicate that this deficit is largely of our own making and that the United States is not prepared to alter the auto pact in our favour at this time.

Could the minister now tell this House and, in fact, the 22,000 unemployed auto workers—not to mention the hundreds of thousands in the related ailing secondary manufacturing sector—when he intends to take made-in-Canada action in order to stimulate the auto industry in this country? For example, would he now be prepared to take our repeated suggestion and impose quotas on offshore vehicles?

**Hon. Herb Gray (Minister of Industry, Trade and Commerce):** Madam Speaker, the possibility of having a harmonized response to the problem of offshore vehicles is one of the priority issues for our discussions in Washington this Friday. I do not think I have to respond to unidentified comments on the front page of a newspaper, even one as important as *The Globe and Mail*.

We are going to have our discussions around the table with identified senior American authorities. In these discussions we are going to seek common ground on matters of mutual concern and, in doing so, I will be pursuing my objective for Canadian workers of obtaining a fair share for Canada of North American automotive activity.

**Mr. Jelinek:** Madam Speaker, I naturally wish the minister well in his deliberations in Washington this weekend. But there are other options which in the past the minister has

### Oral Questions

sloughed off to the Minister of Finance. My supplementary question is therefore to the Minister of Finance.

● (1440)

Could he tell us whether or not his colleague, the Minister of Industry, Trade and Commerce, has asked him or his department to consider implementing some much needed stimulative measures for the automotive industry in Canada, such as temporarily removing the 9 per cent federal excise tax on North American-built vehicles in Canada, or any other measures which would give the auto industry a much needed stimulative boost?

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, the Minister of Industry, Trade and Commerce is in constant communication with me and with other members of the economic ministry, not only with respect to actions to assist the automotive industry but to assist other industries in Canada. His leadership has already had a beneficial influence on the future development of that industry.

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### TRANSPORT

#### ENFORCEMENT OF AIR SAFETY REGULATIONS—NUMBER OF INSPECTORS FOR AIR AND RAIL SAFETY

**Mr. Les Benjamin (Regina West):** Madam Speaker, I should like to ask the Minister of Transport some questions. Since the Parliament of Canada over a number of years, and successive governments, have passed various laws and regulations regarding maintenance and safety procedures for the operation of commercial aircraft, I should like to ask the minister the following question.

In light of the evidence given by employees of the government at the air safety inquiry in Thunder Bay of planes being flown that are overloaded and poorly maintained—one of them crashing on March 24, when six people were killed—will the minister advise the House whether or not he intends to increase the number of safety inspectors and, more important, will the minister assure the House that he will not allow his officials, and he himself will not take part in or condone any action which undermines the recommendations of the safety inspectors regarding penalties or suspension of licences because of some possible political embarrassment to the minister?

**Hon. Jean-Luc Pepin (Minister of Transport):** Madam Speaker, I presume it is always a temptation, when a commission is created and evidence is brought to that commission, to act upon the evidence that is brought forward. But the purpose of the commission, obviously, is to come up with recommendations after evidence is presented. I consider that to be the normal way of proceeding. In the case of the Dubin commission, as in others, it would be wise to wait until the judge has assessed all the evidence and is in a position to bring forward his recommendations.