

Oral Questions

Mr. Rae: I look forward with interest to hearing what the minister has to say. My question to the minister follows the questions and answers that have been going across the floor of this House for over a month to his colleague, the Minister of Industry, Trade and Commerce.

● (1130)

Considering the fact that Canadian cars are being sold in the United States with large rebates being offered by the three large car makers, and considering the fact that the consumer price index figures issued today show that the lack of such rebates in Canada is putting serious pressure on the consumer price index, can the minister tell the House what his attitude is regarding those rebates, when the three large car makers are offering them in the United States on Canadian cars and not in Canada, and when we have signed a deal on pricing?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, to assist the hon. member with this very important question, and to follow up what I said in the House the other day, I had my officials contact the heads of the motor vehicle manufacturers to raise the question of rebates for cars in Canada with them.

They said that the market situation, as they saw it, did not lead to their deciding to offer these rebates directly to consumers. They have available, however, dealer incentive programs which, in their view, make available to Canadian consumers equivalent opportunities to the rebate programs in the United States.

An hon. Member: Could you believe it?

* * *

FINANCE**INFLATION—PROPOSAL THAT FAIR PRICES COMMISSION BE ESTABLISHED**

Mr. Bob Rae (Broadview-Greenwood): A further supplementary question, Madam Speaker. We have the Minister of Industry, Trade and Commerce accepting the word of the three car makers, and we have the Minister of Finance consorting with the Canadian Bankers' Association. We know who they are with.

I should like to put a final supplementary to the Minister of Finance. The fact of the matter is that consumer demand has been falling dramatically, that real disposable income has been falling dramatically, and yet we have this persistent and consistent pressure on the price side.

In light of these conditions, and in light of the fact that corporate profits have been so high and some bank profits have been so high, will the minister reconsider the historic rejection by the Liberal party of a proposal from us that the government establish a fair prices commission so that we can get at the root of what is causing this inflationary spiral even when demand is falling?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has referred to my consorting with the bankers. One of the bank's presidents told me last night how much he enjoyed the luncheon he had with the hon. member recently.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

An hon. Member: He is blushing.

Mr. MacEachen: With respect to the very important question of policy raised by the hon. member, it is a matter that, if decided upon, would be announced to this House in a formal way.

* * *

TRANSPORT**DEFECTIVE AUTOMATIC TRANSMISSIONS IN FORD MOTOR VEHICLES—RECALL THEREOF**

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I have a question for the Minister of Transport. In light of the disturbing news that many Ford Motor Company products have slipping transmissions which lurch into reverse from park, and that there has been a total of 291 recorded cases in Canada, with 41 serious injuries and four deaths, could the minister tell the House why there are no regulations on the books right now that would enable the federal government to force the recall of automobiles which are known to have defective parts?

Will the minister give the House an undertaking that the government will consider enacting legislation which would empower him and his department and the Government of Canada to recall automobiles with defective parts?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there is in the law authority to issue a notice of defect. I also indicated before that the department can inquire, can inform and can do all kinds of things around the phenomenon of recall.

As I said specifically, however, the department does not have the authority to recall; that is very clear. Why? Simply because the system as it exists has been sufficient in possibly 99.9 per cent of cases to obtain the result which is contemplated. So as I said yesterday, in instances of this kind I, personally, do not believe that the legal process should be used to reach an objective which can be reached through other means less dramatic than the legal one. But this is a subject for debate, obviously.

Mr. Scott (Hamilton-Wentworth): What is most disturbing about this case, Madam Speaker, is that the federal Department of Transport has been investigating these incidents since 1977. I and other consumers would be interested in knowing what other cases might be under investigation by the depart-