

*Inquiries of the Ministry*

not only as a weapon to realign world currencies but also as technique to restrict the free flow of trade in the world? If so, what was the response of the United States government to that suggestion?

**Hon. E. J. Benson (Minister of Finance):** Mr. Speaker, we certainly objected to the surtax as it applied to Canada. We recognized the fact that the United States had to take certain steps with respect to its balance of payments and we welcomed those steps, but we put forth as strenuously as we could the argument that the surcharge should not apply to Canadian trade with the United States.

**Mr. Speaker:** Order, please. The Chair will recognize the hon. member for Peace River on a supplementary, following which the hon. member for Lotbinière will be given an opportunity to ask a question. If hon. members wish to pursue the subject I will return to them later. At the moment the Chair will recognize the hon. member for Peace River.

USE OF EMPLOYMENT SUPPORT BILL TO OFFSET POSSIBLE  
COMMON MARKET ACTION RESPECTING IMPORTS  
FROM CANADA

**Mr. G. W. Baldwin (Peace River):** In light of clause 11 of the employment support bill, is it the intention of the government to apply the benefits of this legislation to industries and to any unemployment caused therein as a result of action taken by the Common Market countries with respect to Canadian imports?

**Hon. E. J. Benson (Minister of Finance):** Mr. Speaker, this would have to depend on how the situation develops in the future.

[Translation]

EFFECT OF UNITED STATES IMPORT SURTAX—  
DISCUSSION WITH PROVINCES

**Mr. André Fortin (Lotbinière):** Mr. Speaker, I have a question for the Prime Minister.

In view of the American decision, resulting in a major economic problem for Canada, can the Prime Minister tell us whether there have been or will be meetings between different levels of government in order to undertake joint action with regard to the problem, or whether there is to be merely unilateral action on the part of the federal government in this regard?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, there have been meetings and I have had the opportunity to discuss the matter personally with some provincial premiers. I know that there have also been exchanges between provincial finance ministers and the federal Minister of Finance.

The government is not in the least inclined, as the hon. member suggests, to solve the problem unilaterally but I

[Mr. Fairweather.]

believe the provinces, in the present case, might welcome a unilateral solution.

**Mr. Fortin:** Mr. Speaker, since following meetings which have taken place between the representative of the federal Minister of Finance and those of the provinces it seems that the provinces would wish for unilateral action on the part of the federal government, has the latter invited or does it intend to invite representatives of the provincial governments to support the federal government's action in this struggle, so as to stabilize again the Canadian economy?

**Mr. Trudeau:** Yes, Mr. Speaker. The hon. member is aware that there are frequent meetings between the Ministers of Finance of various levels of government, and one of the things which the federal Minister of Finance has done, in fact, was to suggest to provincial and municipal governments, and even to private corporations, in the course of the past months, to restrict, for instance, their purchase of bonds on the American market. So, this type of co-operation is constant, and indeed, we shall keep on maintaining it.

What I wanted to indicate, Mr. Speaker, is that when we are faced with difficult problems, provinces are only too quick to ask the federal government to solve them all alone.

[English]

UNITED STATES ECONOMIC DECISIONS—STRUCTURE FOR  
PRIOR CONSULTATION WITH CANADA

**Mr. David MacDonald (Egmont):** Mr. Speaker, I have a supplementary question for the Prime Minister. In view of the apparent surprise the Nixon economic proposals had for the Canadian government and the close interrelationship of our two economies, will he indicate whether our government has advanced any proposals for consultative structures in respect of future economic decisions that may be made by the United States government which would have great impact on our own economy?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, if the hon. member is referring to structures at the federal-provincial level—he shakes his head no, so I wonder what structures he has in mind.

**Mr. MacDonald (Egmont):** Mr. Speaker, perhaps I could clarify by asking whether there are any proposals for consultative structures between the two governments of Canada and the United States in respect of major economic decisions made by the United States that have a drastic impact on this country?

**Mr. Trudeau:** I must point out that the question was asked as a supplementary to a question involving structures at the federal-provincial level, and it is quite clear that the question is—

**Some hon. Members:** Oh, oh!

**An hon. Member:** You don't want to answer.