

Inquiries of the Ministry

United States that at this particular point we are preoccupied with other matters, particularly economic matters, and that we are not in a position at the moment to sit down with United States officials and continue these talks. But there has been no indefinite postponement of them; there is merely an inability to find the time now to proceed with them.

Mr. Stanfield: Would the Prime Minister make available to the House the text of the message in view of the importance of this whole subject to Canadians, and would he tell the House whether the preoccupation of the officials at this time relates to new initiatives that Canada is taking regarding removal of the surtax and state whether Canada has yet received from the United States any indication of any preconditions that the United States will insist upon prior to removal of the surtax?

Mr. Trudeau: Mr. Speaker, in reply to the first part of the question, I am informed by the Secretary of State for External Affairs that there is no text of any message; the communication was oral and was along the lines I have just reported to the House. As to what the Leader of the Opposition calls "preconditions", my answer is still the same, that there has been no statement by the United States authorities that if we did such and so they would take off the surtax.

Mr. Stanfield: Has the Prime Minister or the Canadian government received any indication not that the United States would necessarily remove the surtax if certain things were done, but that certain matters have to be settled between the two countries before any removal of the surtax would be considered? In particular, is the government of Canada considering any specific changes with regard to the auto pact? I ask this question particularly in view of the reported differences of opinion within the government on the subject.

Mr. Trudeau: Mr. Speaker, the answer to both questions is no, and this is not surprising since the question of the Leader of the Opposition is based on an entirely false report.

CONTINUATION OF DISCUSSIONS WITH UNITED STATES
ON IMPORT SURTAX—UNITED STATES SUGGESTIONS
CONCERNING REMOVAL

Mr. David Lewis (York South): Mr. Speaker, to pursue the same subject in a somewhat different way, may I ask the Minister of Finance whether discussions between officials of the Canadian government and officials of the United States administration on the question of the surcharge are continuing, and whether any specific matters have been raised in those discussions?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I believe the Secretary of State for External Affairs spoke to Mr. Rogers on Friday and mentioned this particular matter. The next occasion, I believe, on which the matter will be brought up for discussion between our officials and the United States will be at the meeting of the deputies of the Group of Ten which is to take place later this month.

• (2:30 p.m.)

Mr. Lewis: Mr. Speaker, I should like to ask the Minister of Finance whether he is saying to the House that at no time in discussions between ministers or officials were there suggestions made to Canadian spokesmen or representatives about the kind of thing that might be required for the United States surcharge to be removed from Canada, not necessarily as a precondition in firm terms but in the form of a suggestion, recommendation, proposal or in any other way? Is he saying that nothing of that kind was suggested to Canada with regard to the removal of the surcharge?

Mr. Benson: Mr. Speaker, long before the surtax was imposed, when I first visited Secretary Connally last spring after he was appointed Secretary of the Treasury we discussed frankly the difficulties which occur between the two countries. I frankly admit they indicated that they would like to see a settlement of the automotive pact. This sort of thing has taken place on each occasion we have met. We have discussed the various problems between the two countries but not in the context of, say, if you do this we will remove the surcharge, and so on. We have maintained the position that we have fulfilled all the requirements put forward by the President and therefore the surcharge should never have been applied to us.

Mr. Lewis: Is the Minister of Finance aware of reports that the United States administration is considering or is developing a program which would ask Canada to contribute \$1 billion worth in the turnaround to get the United States balance of payments into relative equilibrium? Has he heard of such a report and will he inform the House whether that kind of thing is being discussed?

Mr. Benson: Mr. Speaker, not to my knowledge. As a matter of fact, on current account we are running at a deficit with the United States.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in view of the information the minister has given the House regarding continuing meetings between officials of Canada and the United States, is he confirming that the United States has now taken the attitude that Canada has been led to believe that the surcharge will be subject to bilateral discussions before modification or removal in its entirety?

Mr. Benson: No, Mr. Speaker.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my supplementary is addressed to the Prime Minister. Would he tell the House whether the failure to pursue negotiations with the United States on energy matters is a subtle form of retaliation for recent United States economic policies?

Mr. Trudeau: No, Mr. Speaker.

Mr. Lewis: You mean it is not subtle?