

Inquiries of the Ministry

aware that such an order exists and what solution does the federal government or the minister himself intend to offer in order that the local initiatives program may be carried on in Quebec?

[English]

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, we are well aware that a number of regulations, whether governmental or union, require certain wage levels and that some of these people who are subject to such rules may take part in the local initiatives program. Our rule does not in any way stop this kind of payment being made. It is related to the amount of the grant we can make per week or month, per man employed. That is an average maximum upon which our grant is based and there is nothing to exclude more or less being paid. There is nothing to exclude money obtained from other sources being used in connection with programs.

[Translation]

Mr. Caouette: Mr. Speaker, I should like to put a supplementary question to the minister.

Does that mean that, if the province of Quebec decreed a weekly salary of \$150 instead of the \$100 stipulated by federal law, the federal government will not contribute in any way to make up the difference if the province of Quebec does not supplement the \$50 in the case of youth projects, for instance?

[English]

Mr. Lang: Mr. Speaker, the fact that a very large number of applications have come forward, most of them meeting our criteria, indicates that local and municipal groups in the province of Quebec can meet these criteria. The objective behind the criteria was to channel as many as possible of the jobs to those areas where they are needed most, areas where the people need them, which means—

Mr. Speaker: Order, please.

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FINANCE

ALLEGED DEMAND BY UNITED STATES THAT CANADIAN DOLLAR BE PEGGED AT CERTAIN LEVEL

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Finance. Can the minister advise the House whether the United States has requested directly of Canada or demanded that Canada peg the value of the Canadian dollar, and whether that pegging should be in the upper ranges, relatively speaking, as between the major world currencies and the United States dollar?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, no such demand has been made.

Mr. Lambert (Edmonton West): Would the minister advise the House whether the United States agreement in principle to devalue their dollar would be in exchange for a relaxation of certain non-tariff barriers by the Common Market? If that is the case, does Canada intend at tomor-

[Mr. Caouette.]

row's meeting to back the United States actively in the demand for relaxation of these non-tariff barriers?

• (2:40 p.m.)

Mr. Benson: Mr. Speaker, I really cannot answer that question because I was not at the meeting with Mr. Pompidou.

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INDUSTRY

PULP AND PAPER—GOVERNMENT PROGRAM TO OVERCOME DIFFICULTIES AND ASSIST THOSE LAID OFF

Mr. Jack Marshall (Humber-St. George's-St. Barbe): My question is for the Minister of Industry, Trade and Commerce. In view of the unstable international exchange rates, the United States 10 per cent surcharge, the floating appreciation of the Canadian dollar, and the widespread lay-offs in the pulp and paper industry, has the government decided to implement a specific program of assistance to the industry and the individuals who are being laid off daily?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Without agreeing to the postulates, because some are false, may I repeat Mr. Speaker, what has been said on a number of occasions? We met on December 6 with representatives of the pulp and paper industry. We discussed ten different items. Ten ministers were present. I am to meet with the industry again in early February. In the meantime, a number of studies have been undertaken.

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TRADE

CANADA-UNITED STATES—STATE OF NEGOTIATIONS ON AUTO AND DEFENCE-SHARING AGREEMENTS—POSSIBLE REMOVAL BY UNITED STATES OF CERTAIN AGRICULTURAL TARIFFS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I have a question for the Minister of Industry, Trade and Commerce. Now that it appears likely there may be some solution to the question of the realignment of currencies, what progress is being made in the minister's discussions with the American government regarding what he calls irritants and, particularly, has any agreement been reached with regard to the Canada-U.S. auto pact or with regard to the defence-sharing agreement?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No, Mr. Speaker. I can only say that the discussions are continuing.

Mr. Douglas: In view of the fact there is a wide variety of important agricultural products which under the Kennedy round will enter the United States duty free on January 1 and as a consequence will be exempt from the 10 per cent surcharge, has the minister in the course of his discussions ascertained whether the American government intends to comply with the Kennedy round provisions and remove these duties on January 1?