

*Inquiries of the Ministry*

**Mr. Pepin:** The case is there. If you have an agreement of this kind you are bound to win sometimes and lose a little at other times, but you have to judge the total picture on balance and that does not seem to be the hon. member's forte today.

**Mr. A. D. Hales (Wellington):** A supplementary question, Mr. Speaker. In view of the unrestricted free trade arrangement the United States is seeking to make with Canada in this regard, will the minister not make a statement on motions tomorrow on this very important matter?

**Mr. Pepin:** Mr. Speaker, one would have to be more specific than that. The United States is not suggesting a totally free trade agreement. Among the many features of the existing agreement there is the manufacturer's importing privilege, and the United States has not asked for the elimination of that particular aspect. I do not think I ought to make a statement today. These conversations have not been completed, and consequently it would be premature to do so.

**Mr. Hales:** A further supplementary question, Mr. Speaker. Before any arrangements are arrived at, would the minister take the House into his confidence and give the House a chance to debate this issue?

**Mr. Pepin:** Mr. Speaker, on keeping the House and members informed, I have done that extremely well, I think, in the past, to the point of inviting hon. members to have conversations with me on the subject. I will do so in future. The government will not make any change to the auto pact unless and until the House knows about it.

U.S.-CANADA AUTOMOBILE PACT—COMPANY EARNINGS AND TRANSFER OF CAPITAL

**Mr. David Orlikow (Winnipeg North):** A supplementary question, Mr. Speaker. In view of the serious implications of the auto pact negotiations, has the government undertaken a study to determine the amount of increased earnings of Canadian auto companies which are subsidiaries of United States parents and the amounts of capital which have been transferred to the parent firms between 1965 and 1968?

**Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce):** Mr. Speaker, this information is known by the government. The Minister of National Revenue knows pretty well what the profits of these companies are.

[Mr. Pepin.]

The hon. member's question raises a very important point, namely, that there is a difference between the balance of trade and the balance of payments. Our progress in the balance of trade is much more visible and much higher than with the balance of payments. Every time an extra car is produced in Canada it means more dividends for the United States company. That is one of the many points we have been making in our conversations with our U.S. friends. This agreement is good for both Canada and the United States.

**Mr. Orlikow:** A supplementary question, Mr. Speaker. Since the increased earnings have also resulted from the higher prices paid by Canadian consumers for cars, would the government table the results of the information it has received so that the Canadian people can assess the actual effects of the pact?

**Mr. Pepin:** Mr. Speaker, the question of the price of cars has been answered on a number of occasions both by my predecessor and myself. If one analyses the price of cars one must take into consideration all kinds of factors such as the degree of general efficiency of the industry in Canada, compared with what it is in the United States, the differences in production and distribution costs in Canada and the United States. As a matter of fact, the differential between car prices in Canada and the United States has gone down. It stood at between 8 and 10 per cent at the beginning of the pact and is now down to 3½ per cent.

**Mr. Speaker:** Order, please.

**Mr. Orlikow:** Mr. Speaker—

**Mr. Speaker:** Order, please. I have to interrupt the minister and the hon. member. I suggest that we have reached the area of debate. Perhaps we might go to the next question.

[Translation]

EXTERNAL AFFAIRS

LEBANON—CANADIAN POSITION ON UN RESOLUTION CONDEMNING ISRAELI INVASION

**Mr. Réal Caouette (Témiscamingue):** Mr. Speaker, I am pleased to be able to put my question before the end of the oral question period.

I should like to ask the Secretary of State for External Affairs whether he has been advised by the Security Council of the United