

Inquiries of the Ministry

the Acting Prime Minister care to indicate very briefly the general nature of any such initiative?

Mr. Sharp: Mr. Speaker, the answer to the first question is no. The initiative taken by the Prices and Incomes Commission is still very much alive. The commission is still of the view that the kind of program it has proposed is very much in the public interest and it will persist, despite the discouragement it has received from certain quarters. The government's view is that the forces of inflation are still strong notwithstanding the change in the economic situation and that it is very much in the interests of the whole country that all of us in this House should join in urging Canadians generally to co-operate with the Prices and Incomes Commission.

Mr. Stanfield: In view of the Acting Prime Minister's recognition of the changing economic climate, the deterioration in business expectations and the sharp increase in unemployment, I should like to ask him whether it is the intention of the government to continue in its efforts to slow down the economy further, in particular by introducing a program of consumer credit restraints? I asked this question of the minister a few days ago and my recollection is that he said he would take it up with the Minister of Finance. Can he now indicate whether it is the continuing intention of the government to create further unemployment in this way?

Mr. Sharp: Mr. Speaker, the intention of the government with respect to the consumer credit legislation will be made known shortly. I do not accept the premise that it will produce greater unemployment. Indeed, I think the greatest threat to the stability of employment in this country is the inflationary danger.

Mr. Speaker: The hon. member for Oshawa-Whitby on a supplementary question.

Mr. Broadbent: It is not supplementary, Mr. Speaker.

Mr. Speaker: The hon. member for Prince Edward-Hastings.

Hon. George Hees (Prince Edward-Hastings): Is not the reason why the usual practice of having an acting minister take the place of a minister who cannot attend the Canadian Labour Congress conference the fact that the government knows its anti-inflationary pro-

gram will not stand up and no minister is willing to be made a laughing stock in front of the CLC?

Mr. Speaker: Order, please.

INDUSTRY

U.S.-CANADA AUTOMOBILE PACT—CONTINUATION OF VALUE-ADDED AND PRODUCTION GUARANTEES—CANADIAN CAR PRICES

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I should like to address a question to the Minister of Industry, Trade and Commerce. Given its importance in protecting jobs for Canadians, will the minister assure the House that the government will not abandon the Canadian value-added guarantee provision which now exists in the Canada-U.S. auto pact during the current negotiations with the Americans?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I am sorry but I cannot give such an undertaking. I can say, however, that if we ever decide to abandon these safeguards, we shall abandon them in favour of some other advantages.

Mr. Broadbent: Mr. Speaker, as the minister is not able to make that guarantee I will ask him another question. Will the minister assure the House that the percentage of production in Canada guarantee will not be abandoned or even allowed to fall below the existing level?

Mr. Pepin: Mr. Speaker, I said yesterday that my mind is not petrified. I hope the hon. member's mind is not, either.

Mr. Broadbent: A final supplementary question, Mr. Speaker. Given the finding of the just-published study sponsored by the Canadian-American committee that the existing differences in prices between cars sold in Canada and cars sold in the United States cannot be economically justified, would the minister bring pressure to bear upon Canadian auto makers to bring about an immediate reduction in auto prices in this country?

Mr. Pepin: Mr. Speaker, I could also indicate that the trade balance between Canada and the United States which was unfavourable to us by \$450 million in 1968 is now unfavourable to us to the extent of only \$162 million, which is tremendous progress for this agreement.

An hon. Member: What has that to do with car prices?