

## INDUSTRY

## AUTOMOBILES—DISCUSSION OF CANADA UNITED STATES AGREEMENT IN LIGHT OF UNITED STATES IMPORT SURTAX

**Mr. Edward Broadbent (Oshawa-Whitby):** I have a question for the Minister of Industry, Trade and Commerce. Following the imposition by the United States of the import surcharge, can the minister inform us whether the Canadian government and the United States government have discussed the terms of the Canada-United States automotive agreement?

**Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce):** These discussions have been going on now for a number of months. They were renewed at the time the Minister of Finance and I went to Washington. We were assured then that difficulties created by the auto pact agreement were not considered factors in the decision arrived at by the United States to impose the 10 per cent surcharge applicable to Canada.

**Mr. Broadbent:** Can the minister assure the House that the Canadian government obtained from the United States a continuing commitment to maintain, in the agreement, the safeguards protecting jobs in Canada?

**Mr. Pepin:** The fact that the United States government eliminated the excise tax of 7 per cent on automobiles purchased in the United States will have a beneficial effect on Canadian exports of automobiles to the United States; I gather from this that the disappointment experienced in the United States in connection with the gains made by Canada under the automotive agreement is not of such magnitude as to lead that country to take an unfriendly position toward Canada in these matters.

[Later]

## AUTOMOBILES—ATTAINMENT OF SAME PRICES FOR CANADIANS AS PAID BY UNITED STATES BUYERS

**Mr. A. D. Hales (Wellington):** My question is for the Minister of Industry, Trade and Commerce. In view of the United States government removing excise tax on automobiles, which has thus widened the price differential between Canada and the United States, what steps is the government taking so that Canadians can buy cars at the same price that people in the United States pay?

**Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce):** Mr. Speaker, I can only observe that the gap is shrinking progressively.

**Mr. Hees:** Increasing progressively.

**Mr. Pepin:** No, shrinking progressively. The rate of shrinkage has to take into account other factors such as valuation and the disappearance of the excise tax, but my proposition is nevertheless still valid.

**Mr. Baldwin:** No wonder you didn't get anywhere in Washington with that approach.

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## Inquiries of the Ministry

[Translation]

## THE CANADIAN ECONOMY

## UNITED STATES IMPORT SURTAX—STATUS OF CONSULTATIONS BY CANADA WITH WASHINGTON

**Hon. Martial Asselin (Charlevoix):** Mr. Speaker, I would like to direct my question to the Minister of Industry, Trade and Commerce.

Is the introduction this afternoon of a bill designed to provide grants to exports an indication that the consultations between Canada and the United States have failed or is it suggesting that the United States will go back on their decision as a result of our representations in Washington?

**Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce):** The Minister of Finance will raise this question this afternoon. The government in general is taking for granted that the exemption would not occur within a period of time which would enable it to accept the effects which the surcharge will have on the Canadian industry.

## EFFECT OF UNITED STATES IMPORT SURTAX—REQUEST FOR STATEMENT ON TEXTILE POLICY

**Mr. André Fortin (Lotbinière):** Mr. Speaker, I should like to put a supplementary question to the Minister of Industry, Trade and Commerce.

In view of the disruptive effect of the American decision on the Canadian economy, more precisely in the field of textile products, and in view of his recent statement in Victoriaville, would the minister be prepared to tell us when he will announce a Canadian policy on textiles, so as to put an end to unrestricted imports of such products, which seriously disrupt employment of Canadians in that sector?

**Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce):** Mr. Speaker, I do not feel that many hon. members would be prepared to agree with the premise of this question which suggests that any import of textile products should be avoided.

[English]

## UNITED STATES IMPORT SURTAX—MAINTENANCE OF CANADIAN DOLLAR BELOW PAR

**Mr. Eldon M. Woolliams (Calgary North):** Mr. Speaker, I have a question for the Minister of Finance. In view of the seriousness of the surtax situation, is the government taking any action, or is it going to take any action, to keep the Canadian dollar below par at this time with the United States dollar?

**Hon. E. J. Benson (Minister of Finance):** Mr. Speaker, the government has not endeavoured to intervene in the floating Canadian dollar situation. As my hon. friend knows, almost all of the major currencies are now floating.

**Mr. Woolliams:** Are we to gather from what the minister says that it is the policy of the government to endeavour to keep the Canadian dollar below par with the United States dollar, and has that position been made clear to the United States government?