

### Oral Questions

would appear nonsensical. May I ask the hon. gentleman, keeping this in mind, what he is doing to change the pattern of investment in the auto industry, 95 per cent of which has taken place in the United States in the last two years?

**Mr. Gillespie:** On previous occasions I have indicated we are following a regular and continuing process of consultation with the presidents of the automobile manufacturing firms in Canada. One of the points I have raised with the presidents is precisely the point just raised by the hon. member—the need for new investment in Canada. For this reason I was particularly happy this morning when the Chrysler Corporation announced a major new plant facility for the production of commercial vehicles in Windsor.

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### EXTERNAL AFFAIRS

#### CANADIAN POLICY RESPECTING ISRAEL AND ARAB STATES

**Mr. John A. Fraser (Vancouver South):** I have a question for the Secretary of State for External Affairs, Mr. Speaker. It arises from the continued effort by Arab oil producing states to force their demands on Israel by refusing oil to nations considered sympathetic to the State of Israel, even though such nations may desire friendship with the Arab states. Can the minister advise us whether this situation has in any way caused Canada to change its position with regard to either Israel or the Arab oil producing states?

**Hon. Mitchell Sharp (Secretary of State for External Affairs):** The answer to that question is no. There has been no change in the policy of the government, since I spoke in the House on October 16, as a result of pressure by the Arab states or otherwise.

**Mr. Fraser:** Can the minister assure the House that, while recognizing there are differences that must be settled between Israel and the Arab states, Canada continues unequivocally to support the right of Israel to exist within secure and recognized boundaries?

**Mr. Sharp:** Yes, Mr. Speaker. The right of Israel to exist within secure and recognized boundaries is fundamental to the policy of Canada in the Middle East.

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### INDUSTRY

#### AUTOMOBILES—REPRESENTATIONS TO COMPANIES TO HOLD DOWN PRICES IN ORDER TO COMPETE WITH IMPORTS

**Mr. Terry O'Connor (Halton):** Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce supplementary to a previous question. In view of the fact that the comparable deficit figures for foreign imports other than United States cars under the auto pact show a deficit of \$373 million for the first nine months of this year, has the minister considered approaching the car

[Mr. Broadbent.]

companies with a view to holding down prices as he did last year so that North American cars will be in a better position to compete with offshore imports?

**Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce):** May I say first of all as far as the deficit is concerned that one can expect there will be fluctuations from year to year; sometimes they will be in our favour and sometimes not. A second point, and one which I think is very important, is that the commitment I obtained from the automobile companies just about a year ago pertained not only to the 1973 models but to the 1974 models. I would expect the automobile companies to honour that undertaking, that is, that any price increases which take place in Canada will narrow the price gap.

**Mr. O'Connor:** Can the minister tell us whether a date has been set for resumption of negotiations with the United States on the auto pact, which have been delayed from time to time over the past year?

**Mr. Gillespie:** We are prepared to meet with the United States authorities at any time.

**Mr. O'Connor:** The answer is no, then.

#### ROLE OF DEPARTMENT IN DECISION BY CHRYSLER TO CONSTRUCT NEW TRUCK PLANT

**Mr. Mark MacGuigan (Windsor-Walkerville):** Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. It arises from the welcome announcement by Chrysler this morning—

**Mr. Bell:** Stick to wiretapping.

**Mr. MacGuigan:** —of a new manufacturing plant for light trucks in Windsor. In light of the fact the press announcement referred to the requirement of the production-sales ratio under the auto pact, can the minister advise the House what role he or his department played in bringing about this desirable decision?

**Some hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please, I would think that to do this the minister would have to revert to motions.

**Mr. Bell:** It was *force majeure*.

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### UNEMPLOYMENT INSURANCE

#### ABILITY OF COMMISSION TO REMAIN WITHIN HEADQUARTERS BUDGET FOR 1973

**Mr. Bill Frank (Middlesex):** Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration. Having regard to the fact the Unemployment Insurance Commission headquarters budget has increased from \$6 million in 1972 to \$17 million in 1973—the figures are for the first six months of these years—can the minister tell the House whether he expects this alarming acceleration to continue for the balance of this year?