

Canada-U.S. Automobile Agreement

to note that he was pleading with the Johnson administration to bring all the pressure it could on the Canadian Government to reduce the price of cars to the Canadian consumer. I quote from a newspaper article in this regard:

But the individual Canadian who comes across to Detroit, buys the same car and tries to take it back home to Canada, will still have to pay the tariff. Thus, there is no economic pressure on the companies to pass their tariff savings on to Canadian consumers.

The purpose of the agreement is to provide the auto industry with a single market but there will be no such common market, he explained, until there is genuinely free trade for the individual consumer as well as for the manufacturer.

Later on in his remarks, referring again to the necessity for price cuts, he recommended also that the Committee obtain data on the profits made by Canadian subsidiaries. I hope this is something with which the Minister will deal. We have not been able to get the profits made by the Canadian subsidiaries of Ford, Chrysler or General Motors. They are dealt with as private companies. We have no idea what profits they are making. I have heard astronomical figures, but I do not know whether or not they are true. We ought to know what their profits are, and to know to what extent they need \$50 million a year from the Government or the Canadian people. We ought to know what their profits are, in order to ascertain whether or not they need to continue charging anywhere from \$300 to \$550 per car more in Canada than they charge in the United States for the same car. I quote again from the article referring to Mr. Woodcock:

Finally, he urged that the Johnson administration "make representations to the Canadian government pointing out that the maintenance of artificially high prices serves only to enrich a handful of U.S. corporations at the expense of Canadian consumers and Canadian and U.S. workers."

It has come to a pretty pass when the United Automobile Workers of America have to appear before a Congressional Committee to ask the Government of the United States to make representations to the Canadian Government to see that some of the benefits of this \$50 million a year are passed on to Canadian consumers. Before this debate is finished, we want all the assurance the Minister can give us that the price of cars bought in Canada will be the same as for Canadian built cars sold in the United States. We want to know from the Minister why this is not being done now. We want to know from him what assurances he has it will be

done in the near future. We want to know when it will be done. We want to know what written assurance he has from the companies that it will ever be done. It is not enough to say that the laws of economics will ultimately take care of this. They will not take care of this as long as these three companies enjoy a privileged protectionist position. If the Government cannot guarantee that the Canadian consumer will be able to buy cars at the same price as consumers in the United States, then the Government must remove these tariffs not just in respect of these automobile manufacturing companies but in respect of all Canadians so that they can bring in cars from the United States and then, by competition, force the Canadian subsidiaries of these gigantic concerns to cut their prices to the Canadian consumer.

● (5:00 p.m.)

In the second place there is nothing in this agreement which guarantees the things which the Minister has been telling us will come to pass. The Minister says this arrangement will create 60,000 more jobs and give us a bigger share of the market. But I would point out that this is not written into the agreement, and when the Secretary of Commerce of the United States, John T. Connor appeared before a Congressional committee regarding this automotive agreement he insisted that the agreement would not bring any significant change in Canada's annual \$500 million deficit with the United States in auto trade. I am quoting from a report from Washington dated April 28 which appeared in the *Montreal Star* of that day. It goes on to say:

Mr. Connor was testifying in support of the pact before the House Ways and Means Committee.

To be perfectly fair, let me go on. Mr. Connor's testimony yesterday contradicts what had been said by other officials of the administration who said they foresaw no dramatic improvement in Canada's payments position as a result of the cut.

Canada, they say, may boost its share of the auto market by a mere 1.1 per cent, that is, from the 4 per cent we now enjoy to 5.1 per cent.

So here is the Secretary of Commerce saying there will be no improvement in Canada's position percentage-wise as far as the total United States market is concerned, and here are some officials of the Johnson administration contradicting him and saying there will be a slight improvement, an improvement of 1.1 per cent. We ought to be told by the Government whether this dubious increase in the share of the North American market we