

Japanese imports, the arrangements we made with Ford and, more recently, the remission program for Volkswagen.

Thus, even though our preoccupations have been the Canadian industry and how it performs, the government recognizes that the Canadian industry is a part of the world automotive industry and we cannot consider our problems in isolation from what is happening in the industry worldwide.

The automotive agreement has, I believe, provided an excellent framework which we must now build around to accommodate the emerging new industry. The Volkswagen arrangement encompasses much of what the government sees as being the way of the future.

Orders in council to bring about adjustment to the automotive agreement where it involved Canada's implementation of that agreement are therefore a necessary part of the administrative process. There has been no attempt to conceal the decisions which have been taken, and in fact it occurs to me that many of the automotive issues have been aired quite frequently, not only in this House but also in the press and other media, including the *Hansard* record to which I already referred.

[Translation]

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, so many untruths have been told in the House this afternoon that I cannot allow this debate to end without pointing them out. I could follow in the footsteps of my distinguished colleague who has just given us some more details on the background and objectives of the automotive agreement, but I would rather explore another avenue, which may help our hon. colleagues to understand what the automotive agreement is about, and why the government must act by order in council to make sure that the automotive industry is most beneficial to the Canadian economy.

I think a few examples would illustrate what I mean. The automotive agreement must be implemented so as to respect the interests of Canada. Although all the provisions of the agreement are clearly indicated in the 1965 Auto Pact, no provision could be made at that time to ensure some flexibility in its implementation and that is why the government is proceeding by order in council. I would invite my hon. colleagues to consider the situation of various companies who have sought orders in council from the government. Chrysler, Ford and Volkswagen came to Canada to make investments or a commitment to become more involved in the development of our country, with a degree of flexibility guaranteed by an order in council within the framework of the auto pact.

Mr. Speaker, if we refer to the order in council concerning Chrysler mentioned earlier in this debate, we can see that it was not penalized for not achieving its production-sales ratio. That charge was levelled at Chrysler regarding its production of commercial vehicles during the seventies. Instead, the government asked Chrysler to compensate for its shortfall by investing in a new truck plant in Windsor. The long-term economic impact of this investment in terms of employment,

Automotive Agreement

income and taxes has been far greater than the short-term effects would have been if we had asked Chrysler to pay back the remission of duty it had been allowed. This specific situation required an order in council. However, the order did not provide for further benefits for Chrysler and did not change the requirements concerning its participation in the auto pact.

There have always been some consumers who prefer to buy imports. To help Canada benefit from the sales of these cars, the government has tried through a customs duty remission program to urge foreign automobile manufacturers to purchase some of the parts for their cars in Canada. The initial program required that parts bought in Canada return to Canada in assembled cars. The program was then extended so that the remission would apply on the basis of parts purchased in Canada and used for vehicle manufacturing whether the vehicles come back to Canada or not.

Since some believe that the government is making changes to the automobile agreement without full knowledge of the facts, the government has insisted on justifying its decisions and revealing as many facts as possible. I am referring to the announcement made by the hon. Minister of Industry, Trade and Commerce (Mr. Gray) on January 5 concerning the conditional amendments to the ratio applicable to the Ford company. On that occasion, the minister gave full details about the advantages which would result from the agreement and he clearly indicated the conditions Ford had to meet if it wanted to continue to participate in the automobile agreement.

Mr. Nielsen: Six o'clock!

Mr. Laniel: I should—but the hon. member does not want explanations, he does not want to understand the problem, he is not interested in the automobile industry as far as I can see. Mr. Speaker, the requirements have been clearly outlined, and they may not have satisfied the hon. member for Hamilton-Mountain (Mr. Deans), but it still remains that the government has not been afraid—

● (1750)

[English]

Mr. Deans: On a point of order, Mr. Speaker, I wish to draw Your Honour's attention and ask you to review the content of the hon. member's participation this afternoon. At the beginning of his speech, he made the point that many untruths were uttered here this afternoon. Since I was one of only three members who had spoken prior to his speaking, I wish to make it clear that I reserve my right to challenge that statement tomorrow at an appropriate time, once I have had an opportunity to review the blues, or I ask the hon. member to withdraw that statement now rather than have the matter raised again tomorrow.

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Laniel: On a point of order—