

ORAL QUESTION PERIOD

TRADE

CANADA-UNITED STATES AUTO PACT—POSSIBLE
TRANSITIONAL NATURE OF SAFEGUARDS—NATURE OF
MEASURES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Foster: Nice to see you back.

Mr. Stanfield: I thought there would be more applause from the other side of the House.

Some hon. Members: Hear, hear!

Mr. Stanfield: I wish to direct a question to the Minister of Industry, Trade and Commerce. Will the minister state what his authority is, other than statements of United States government officials, for saying that the provisions in the auto pact which we have all regarded as safeguards are, to use his term, transitional measures? Can the minister quote a section of the act or point to any part of the agreement to support his statement?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, in referring yesterday to the phrase "transitional provisions" the words I used, I think, were "in the language of the act". I inadvertently misled the House with respect to that particular phrase.

Some hon. Members: Oh, oh!

Mr. Gillespie: What I should have said was "in the language of the negotiators of the agreement".

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, now that the minister has referred to the views of the negotiators rather than the language of the auto pact, I wish to ask the minister to what these transitional measures refer? Were these measures transitional to an agreement, an auto pact without safeguards, or transitional to an agreement providing a common market for automobiles in North America?

• (1430)

Mr. Gillespie: I think the agreement makes the purposes of the auto pact very clear. What I was referring to and hoped to make clear was that the Canadian content provisions or the Canadian value-added provisions, are based on the year 1964. In that year the Canadian value added was \$780 million. Last year, 1972, the Canadian value added was very close to \$2 billion. I was pointing out that I did not see how we could regard those Canadian value-added provisions, based on 1964, as a safeguard in the sense of maintaining employment today at current levels.

Mr. Diefenbaker: A poor alibi.

Oral Questions

Mr. Stanfield: I expect others will pursue the minister along that line. In light of his statement in the House yesterday that there were no safeguards in the auto pact, that they were simply transitional measures, I should like to ask the hon. gentleman in what sense his view of the auto pact and the negotiations differs from that being adopted by representatives of the United States.

Mr. Gillespie: Obviously, I cannot honestly speak for the United States, but I will say that from the point of view of the Canadian government we regard the auto pact as a very successful pact. In the eight years it has been in existence sales have increased 37 per cent, production is up 120 per cent and employment is up 41 per cent.

Some hon. Members: Hear, hear!

Mr. Gillespie: —or very close to 100,000 new jobs, and we intend to keep it that way.

Some hon. Members: Hear, hear!

Mr. Stanfield: On a point of order, Mr. Speaker, with all due respect, I recognize that the minister is not obliged to give direct answers to questions put to him in the House, but that does not give him any excuse for putting a lot of propaganda before us.

Mr. Trudeau: Was there no propaganda in the question?

Mr. Stanfield: I should like to ask the minister this question. To what kind of agreement does he regard these transitional measures as being transitional?

Mr. Gillespie: I put it to the Leader of the Opposition: would he be satisfied with a safeguard which—

Some hon. Members: Order!

Mr. Gillespie: —operated 40 per cent below existing levels? I am not satisfied with it.

Some hon. Members: Hear, hear!

Mr. Hees: Just answer the question.

CANADA-UNITED STATES AUTO PACT—REQUIREMENT
THAT MANUFACTURERS MUST MAINTAIN MINIMUM
PRODUCTION LEVEL TO OBTAIN TARIFF EXEMPTION

Mr. Edward Broadbent (Oshawa-Whitby): Bearing in mind that perhaps the most crucial of the four safeguards embodied in the pact is the requirement that in order to gain exemption from certain tariff provisions manufacturers in Canada must maintain a certain minimum level of production, whatever it may be, will the minister assure the House that the government has no intention of abandoning that provision in principle?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I assure the House that we shall do everything we can to expand the job opportunities represented by the auto pact. As to the particular point made by the hon. member, the level set is so low that I am not prepared to accept that it is a satisfactory one, and I do not think