

Oral Questions

Some hon. Members: Oh, oh!

Mr. MacEachen: It was as a result of discussions which I had with members of the other parties that this debate has taken place. I am very pleased that the debate has had the effect it has had, that is to create this interest in the subject. Hon. members opposite had many opportunities in the course of this session to bring before the House on their allotted days the question of national unity and they failed to do so.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Miss MacDonald: Mr. Speaker, we in the opposition know what should be done on this particular question. What I am asking the Acting Prime Minister is what he thinks the government should be doing.

Some hon. Members: Hear, hear!

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TRADE**CANADA-UNITED STATES AUTO PACT—MEASURES TO ENSURE
EQUITABLE SHARING OF GROWTH OF INDUSTRY**

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. No doubt the minister is aware that the first clause of the Canada-U.S. automotive agreement signed in 1965 states that the objective of that agreement is to ensure that both countries share equitably in future growth in the industry. A review of the pact which was tabled by the government last week shows that this country is losing out disastrously in many parts of the industry. Specifically, we have lost some 20,000 potential jobs in the auto parts industry. What was the government doing prior to the tabling of the report and, in particular, since then to redress this very important discrepancy in terms of the objective of the pact compared with its results?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I will have to defer to my colleague, the Minister of Industry, Trade and Commerce, who has had the primary carriage of these considerations of the structure of the Canadian auto industry and auto parts industry and also with regard to the offset change in the provisions of the auto pact in this regard. On the basis of the analysis, we are now in the position to continue the discussions with the Americans with regard to the possible arrangement. The precise timetable, as I say, is that which my colleague has been presiding over.

Mr. Broadbent: Mr. Speaker, the past four Ministers of Industry, Trade and Commerce, including the Hon. Jean-Luc Pepin, have been telling this House that they have been prepared to renegotiate the auto pact, at least ever since I have been here, and have done nothing. The Minister of Finance should be particularly concerned that we have had a \$16 billion deficit in auto parts trade since 1965. Is the minister

[Mr. MacEachen.]

telling this House that as the financial minister, he has no direct input into proposed changes in the pact? If he is not saying that, can he tell us what kind of initiative the government is proposing?

Mr. Macdonald (Rosedale): Of course I am not saying that. I am pointing out to the hon. gentleman that the restructuring of this aspect of industry is dealt with by the Department of Industry, Trade and Commerce.

Mr. Broadbent: They have done nothing.

Mr. Macdonald (Rosedale): The auto pact, over its history, has been substantially beneficial to Canada; the result has been very much more beneficial than had the Canadian industry not received that kind of protection. With regard to changes in the pact, particularly in relation to the impact on the U.S. and Canadian market of competition from other producers of parts and of automobiles, this has naturally been of some concern, particularly to those preparing for the multilateral trade negotiations.

Mr. Broadbent: Considering that since 1965 the United States has gained substantially more investment in relation to equity in the industry than Canada, and that in the auto parts section the industry in Canada produces only 6 per cent of total parts, would the minister explain to us why he considers the net result of the pact to be beneficial? In the context of that answer, would he tell us which aspect of the pact he finds disagreeable and what specific suggestions he has in mind with regard to improvements in the arrangement?

Mr. Macdonald (Rosedale): The hon. gentleman is asking for a detailed explanation of the effect of the pact on the auto industry in Canada—

Mr. Broadbent: Any explanation.

Mr. Macdonald (Rosedale): I would think that coming, as he does, from an area which is directly concerned he should be as familiar as anyone with the beneficial effect the pact has had on investment and employment in his own constituency as well as in other parts of southern Ontario. I would gladly arrange for a detailed explanation of the pact to be made to him; he would then have a better understanding of the whole subject and might be in a better position to inform his constituents.

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[Translation]

CONFEDERATION**POSSIBILITY OF SUMMIT CONFERENCE TO DRAFT A
CONSTITUTION**

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Acting Prime Minister.

In view of the announcement made yesterday by the right hon. Prime Minister about setting up a committee to promote