

The Budget—Mr. Broadbent

I wish now to deal specifically with the minister's comments on the automotive industry. They were indeed very revealing. He said he spoke to the heads of corporations. What did he learn, Mr. Speaker? He learned that the Ford Motor Company is exporting cars and trucks from the United States into Canada under DISC. But, Mr. Speaker, that is nothing new; we knew it before. The minister says he learned that General Motors and Chrysler Corporation have set up DISCs but they have not yet made clear what they intend to do with them. Again, this is not new information. We knew that. However, his conclusion from this—and I noted that he took great care with his words—was that in the short run the companies assured him that the effects on the Canadian automotive industry, as a result of the three firms that have set up DISCs, are not likely to be significant. With respect, Mr. Speaker, as one says around here, I suggest that the minister's comment itself is not very significant.

The minister knows very well that the model plans and production orders for next year's models are already locked in. The DISC legislation has had almost no time to have had an effect on the immediate or short-run plans of the automotive industry. Therefore, I assume he reaches the same conclusion I do, that the statement he made about the short-run effects of DISC on the automotive industry being insignificant is in itself rather insignificant. What we have to be concerned about with DISC in the automotive industry is not what is going to happen next year, but what will happen the year after and the year after that.

Mr. Speaker, I do not have any magical cure but it seems to me there is something we can do other than sit back and wait for events to happen. First, we must make it abundantly clear that the DISC legislation is a 100 per cent violation of the auto pact. There can be no question about that, and the minister knows it.

Mr. Pepin: I said so ten times.

Mr. Broadbent: I recognize that the minister has made that point a number of times, but I also recognize that neither he nor his government has done anything about it. Recognition of the fact, and changing the fact, are two different matters. What has to be done is that the government must not only maintain the production safeguards in the Canada-U.S. automotive agreement, but also insist that the current levels of guarantees be strictly enforced. This would mean that the companies within the present framework of the pact could only act under DISC provisions within very severe limits because of the provisions in the pact going back to 1964 levels of production. Above and beyond that we should have the safeguard requirements in the pact improved so that Canadians will be entitled to produce North American automotive products equal to the dollar value of the total North American market that they consume. That seems to me to be the guts of the issue.

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As the minister knows, at the present time in Canada we are consuming about 8 per cent of the total North American output of automotive products but we are producing only about 6.5 per cent. If we made an issue of this, and

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that means that the minister made an issue of it instead of sitting back and waiting to see what the Americans are doing, if he would make a few speeches in Canada and if he would go to Washington and say that we Canadians have a right, not to produce more than we can consume in this industry but we have a right at least to produce what we can consume in dollar value—if that were written into the pact and adhered to, it would provide an effective protection against DISC in the automotive industry.

Related to that, of course, is the point that the American government should have exempted the auto industry from the DISC legislation in the first place if it was going to be at all consistent with international law. Again, the minister has said that he pointed this out to the appropriate American officials. But has he made a political issue of it, Mr. Speaker? Surely that is what counts in this country or in any democratic society. To go and speak quietly to some political opponent, whether in your own country or another, has no significant impact. I submit that if the man you are speaking to feels strongly about what he is doing, and if you do not make it a public issue and attempt to mobilize public support on your side, then he can smile and tell you to go to hell, if you will excuse the phrase, Mr. Speaker.

I suggest that is exactly what Mr. Connally and the American government in its trade relationships, with the United States automotive industry and DISC in general, is saying to our country. They are saying, "We will be quite content if the Canadians come to Washington and practice quiet diplomacy"—but unless the Canadian government tells the Canadian people very vigorously what the American government is doing to this industry, then of course the Americans will not change. To get a change the government, in this case the responsible minister, must try to mobilize Canadian public opinion on its side. If the minister did that, we might make a breakthrough in Washington; but as long as he sits back and hopes that the Americans will not be tough on us we will continue to get the short end of the stick. I submit the Canadian people deserve better than that.

Mr. Blair: Tell us what the UAW is doing.

Mr. Broadbent: The hon. fathead wants to know what the UAW is doing. In the United States it is the only major union that has opposed protectionist legislation coming out of the United States. It is the only major union that has supported the auto pact and has supported the Canadian union workers. If the hon. member has a second question, I will be glad to deal with it later.

I should like now to come to the question of auto prices. I must say I was dismayed, and I noticed the minister looked at little dismayed when he was speaking about this issue. I am sure he realized that the case he was presenting was not the most persuasive. It included items that he has brought forward during the question period in the last two months. Nothing new was provided in his speech. Perhaps he is in a difficult position. I think he has to admit that the auto companies in Canada are making monopolistic profits out of all proportion to what they are entitled to in terms of market price. He quoted the prices from 1965 to 1970 and pointed out that up to 1970 they had continued to go down. There is still a big gap and for some