

where very heavy deliveries have already been made today although the market had not opened up to 15 minutes ago, and in view of the same confusion in cattle markets all across Canada together with the very real prospect of an immediate beef cattle market drop, will the minister now clearly indicate whether his department has issued working instructions to the trade on how the subsidy is actually to be administered so that markets all across Canada can open for business today?

**Hon. E. F. Whelan (Minister of Agriculture):** Mr. Speaker, if it has not been done at this time, it will be done shortly. They were certainly forewarned on Friday that this plan was going into effect. That is why it was announced on Friday. With the consent of the House, we made the announcement so that the trade would be prepared for it today. There may be some nitty-gritties to try to work out, difficulties in regard to technicalities, but I am sure that once the program is understood by all concerned it will work to the benefit of the beef industry.

**Mr. Speaker:** Order, please. I see at least three or four members seeking supplementaries on this subject. The Chair will recognize the hon. member for Medicine Hat and then try to complete the first round of questions. I will then return to all hon. members who have supplementaries on this very important matter. The hon. member for Medicine Hat will be recognized for one supplementary for the moment.

**Mr. Hargrave:** Further to the minister's comment on the possibility of American cattle coming into Canada, will he indicate the procedure of payment? Will the minister explain how he intends to prevent heavy feeder cattle imports from the United States benefiting from this subsidy? I ask this very practical question notwithstanding your comment on this on Friday and just now.

**Mr. Speaker:** Order, please. The hon. member has asked a question. I do not think it is in order to explain why he asked the question. Perhaps the minister might be allowed to reply.

**Mr. Whelan:** All I can say, Mr. Speaker, is that we know American and Canadian prices did not vary very much on Friday. There was not that much difference. It would not have paid anyone to bring in any kind of cattle from the United States at that time. The cattle in the Toronto yards today are cattle bought last Thursday and Friday and shipped in. We are hoping the market will be taken over by Canadian cattle and there will be no need to buy cattle from the United States. If there is an influx of cattle from the United States other than the normal good grade cattle we want from Canadian yards, we will have to take further action.

**Mr. Speaker:** I will return to the hon. member for Medicine Hat in a moment. I suggest to hon. members that in fairness we should try to complete the first round of questioning and then return to this matter.

### Oral Questions

#### TRADE

#### DEFICIT UNDER CANADA-UNITED STATES AUTO PACT— ACTION BY MINISTER TO OBTAIN GREATER INVESTMENT IN CANADIAN INDUSTRY

**Mr. Edward Broadbent (Oshawa-Whitby):** Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Considering that the \$356 million deficit in Canada-United States automotive trade for last year, the first since 1969, is undoubtedly related to the fact that 95 per cent of the investment in the industry was on the United States side of the border in each of the past two years, will the minister inform the House what he has done to obtain assurance that investment in the industry this year will ensure that Canada gets its fair share?

**Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce):** Mr. Speaker, we do not regard these figures with any enthusiasm at all when they go into a deficit.

**Some hon. Members:** Oh, oh!

**Mr. Gillespie:** It should be equally clear that the United States does not regard the reverse with any enthusiasm. I would hope that with the operation of the agreement in the future, as in the past, we can expect swings around a neutral point. With regard to the specific question as to the effect of investment, he is correct that approximately 95 per cent or slightly more of the investment on a pro rata basis took place in the United States in the past few years. However, I do not think that was the reason for the heavy swing this past year. Based on the advice I have received, the reason was the unprecedented demand in Canada for North American made vehicles.

**Mr. Broadbent:** Since the demand for vehicles in itself cannot explain it, because one has to consider the components of the vehicles, whether they are Canadian or United States produced parts, and considering that there was a deficit in Canada in terms of automotive parts amounting to over \$1 billion last year, would the minister assure the House that with reference to the parts sector the government intends to make representations at least to the automotive manufacturers, if not to the United States government itself, in an effort to ensure that a greater percentage of the parts that go into vehicles assembled in Canada are produced in this country?

● (1440)

**Mr. Gillespie:** If the hon. member would look at the report from Statistics Canada from which he quoted earlier he would see that parts production in Canada rose very substantially. Indeed, so did automobile production. Production and export from Canada last year were unprecedented.

**Some hon. Members:** Hear, hear!

**Mr. Gillespie:** As to the point the hon. member made with respect to investment, may I say I have made representations to the automobile manufacturers, both in the United States and in Canada, representations addressed to the senior officers of those corporations, with respect to the level of investment in this country and what