

Canada-U.S. Automotive Agreement

Mr. Gray: I will be prepared to answer questions after I have completed my remarks.

This removal of duties by itself would mean nothing more than the destruction of the Canadian automobile industry, and the destruction of more than 80,000 jobs. The agreement has been designed in a way intended not only to prevent this very bad result, but also to expand Canadian production and to increase the number of jobs in Canada, since under this agreement there can only be duty free imports by manufacturers of cars and original automotive parts, and then only if they meet the production requirements in Canada as laid down by the Government.

I suggest that a harmful effect in the immediate short run, to employment and production in Canada similar to that which would come about at the moment of the removal of all duties by itself, would have come about if individuals were permitted to import cars and parts to Canada, at the very moment that the agreement was signed, in the same way as had been permitted manufacturers of original vehicles and parts, particularly if this was permitted before the industry in Canada was first given a reasonable period of time to readjust and retool. Those who suggest that people should be able to go to the United States right now and buy cars duty free before the industry has had an opportunity to readjust and retool, are again calling for the immediate destruction of Canadian jobs and the Canadian industry.

There have been complaints by the Opposition about the agreement between our country and the United States, because it does not contain provisions to deal with possible dislocations in Canada.

Mr. Orlikow: Not possible—present.

Mr. Gray: I suggest that the agreement itself contains nothing about this in so far as the United States is concerned either, and I would suggest to my hon. friend that he should read it. There is a reference to helping workers and firms in the United States in the Act now before the United States Congress calling for the implementation of the agreement, but this Act does nothing more than bring into effect with reference to this agreement the United States Trade Expansion Act of 1962. It does provide also for the President to make further proposals for adjustment assistance within a certain period of time after the Act is made law, but these proposals are not in any way spelled out.

[Mr. Douglas.]

Mr. Speaker, if you look at the Trade Expansion Act of 1962 you will see that in respect of assisting workers to adjust to changes arising out of that Act, it provides for payments of amounts equal to 65 per cent of the worker's weekly wages, less unemployment insurance. I should like to point out to this House that this is not particularly different from provisions now available to a very large number of workers in the Canadian automobile industry, under existing supplemental unemployment benefits, which make it possible for them to receive supplemental unemployment benefits, in amounts including unemployment insurance, equal to some 60 to 70 per cent of take-home pay. I am not suggesting that this is the entire answer to any problem of dislocation which may arise. I think our Government, where necessary and needed, should be prepared to take other steps. I am merely pointing out that what we are doing at this moment is not totally different from what is being done in the United States regarding dislocations, contrary to what some Opposition speeches up to this point have suggested.

It has been asked by Opposition Members whether or not this agreement has as yet brought any benefit to Canada. I should like to inform this House that since this agreement was announced Chrysler of Canada at Windsor has announced an additional shift which will provide some 1,000 additional jobs.

• (4:30 p.m.)

Mr. Orlikow: Tell us about Ford.

Mr. Gray: This, Mr. Speaker, is a very important addition to employment in Windsor along with the expansion and creation of new plants such as the new General Motors trim plant which will employ in excess of 1,750 people, a plant that came into being after this Government established its designated area program and after this Government established the first tariff remission plan which this agreement replaces. The first tariff remission plan was based on the same concept of not collecting tariffs on imports of cars and parts from the United States, provided there is increased production in Canada.

I should like to bring to the attention of the House another very important example of the benefits that have already come to this country from this agreement even though it has been in effect in Canada for only a short period of time. This example is important in view of certain comments that were made by the hon. Member for Oxford (Mr. Nesbitt). I refer to an article in the