

to decreasing taxes and give Canadian citizens a more prosperous economy.

[Text]

[Later:]

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of Finance regarding the tax structure committee which he announced on motions. I would ask the minister two very brief questions. First, can he give us some idea of the make-up of the committee at the ministerial level and the technical level; and second, can he assure the house that the economic goals which he outlined in the terms of reference are economic goals which the federal government intends to pursue, and will see to it that it does not allow itself to be deprived of the necessary powers to maintain the counter-cyclical techniques which are necessary to attain those goals?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, there will be three members from the provincial government on this committee and one member—and if requested, one alternate—from each of the provincial governments. The federal representatives will be—

Mr. Douglas: Mr. Speaker, the minister said there will be three members from the provincial government. Did he not mean from the federal government?

Mr. Gordon: Yes, three from the federal government. The three federal ministers will be the Minister of Justice (Mr. Favreau), the Minister of National Revenue (Mr. Benson) and myself, as chairman. The premiers of Ontario, Quebec, Saskatchewan, Manitoba and British Columbia plan to serve on the committee. With regard to the other provinces, I think the decision so far is that they will be represented by their ministers of finance or provincial treasurers.

With regard to the second part of my hon. friend's question, I would like to assure him and all hon. members that the federal government, under this administration, intends to remain strong, independent and competent to take whatever actions to influence the economy as may be called for from time to time.

Some hon. Members: Hear, hear.

Tariff Concessions

FINANCE

TARIFF CONCESSIONS TO PERMIT MANUFACTURE OF FOREIGN AUTOMOBILES IN QUEBEC

Hon. Walter L. Gordon (Minister of Finance): On behalf of my colleague the Minister of Industry I wish to announce to the house certain temporary tariff arrangements which have been extended by order in council to the General Investment Corporation of Quebec in order to permit that company to begin the production of Renault and Peugeot automobiles in Canada.

The General Investment Corporation of Quebec is a private company, wholly owned by Canadians, which was created by the government of Quebec last year to stimulate and promote the formation and development of industrial undertakings in that province. It has entered into agreements with the French companies, Régie Nationale des Usines Renault and Société Anonyme des Automobiles Peugeot for the manufacture of their automobiles in Canada. Under the agreements the General Investment Corporation will build and equip a factory of its own to assemble and finish these vehicles.

This undertaking is unique in that a Canadian owned company will make automobiles under licence for a foreign motor vehicle producer. From the outset components will be purchased from Canadian parts makers; other parts will be imported from French companies. There will be a progressive reduction in the proportion of imported parts used as Canadian sources are developed. The finished automobiles will be sold to the Canadian subsidiaries of the French companies for distribution in Canada and for export.

Initial plans provide for annual production of 8,000 automobiles requiring a work force of 250 people.

The output of the company, when added to that of Volvo in Dartmouth, Nova Scotia, will give Canada a substantial production of European type automobiles. There has been a continuing demand for this type of vehicle by Canadian consumers, who will now be able to choose between several Canadian made products.

These transitional arrangements in respect to customs duties are comparable to those provided Volvo of Canada Ltd., taking into account the relative values added in Canada in the production of these vehicles. As in the case of Volvo, the special arrangements are for five years and there is a progressive reduction in the tariff concessions over this period.