

*Canada—U.S. Automotive Agreement*

Speaker, my point is simply to ask the minister whether he and the government will bring their good offices to bear, if necessary, to see that an infant industry in my province is protected.

**Some hon. Members:** Question.

**Mr. Deputy Speaker:** Order. I must advise the house that if the minister speaks now he will close the debate.

**Hon. C. M. Drury (Minister of Industry):** Mr. Speaker, I think we have had an interesting and not too protracted discussion of this particular question. I have found it most interesting, instructive and helpful. I am very glad indeed to have noted that there has been on all sides of the house general agreement with this agreement. Observations have been made as well as some complaints, but I have sensed in this house, as elsewhere in the country, general agreement with the fact that the government has made this kind of agreement with the United States.

I would particularly point out that although there have been some coy suggestions about eventually giving approval, no one has suggested that this agreement entered into in 1965 was a bad thing and should not have been entered into. I agree that it has given rise to some questions in the minds of members. There have been suggestions made that perhaps years and years ago we should have organized our automobile industry in a way different from that which existed in 1965 but that given the facts of the nature, structure and size of the automobile industry in Canada in 1965 this agreement is a sensible and useful course of action for Canada to have taken.

One might divide the observations made into two classes, one procedural and the other relating to substance. I shall try to deal with them in that order. A number of members have mentioned the fact that this agreement has been in existence for some 15 months and only now is ratification being sought. It has been referred to as a treaty. I should, without appearing to be trying to give a lecture, distinguish between a treaty and an agreement. A treaty is a formal instrument between two nation states which binds the states as states. Reference has been made to Mr. Mackenzie King's procedure in dealing with treaties in that in the normal course of events treaties call for ratification by the legislative bodies of the two nation states. But in this case this is not a treaty. It is an agreement between the administrations of

two countries governing the exercise of their normal administrative functions—

**Mr. Churchill:** Is it binding?

**Mr. Drury:**—in carrying out their duties as authorized by the legislature of the United States and the parliament of Canada. This is all that is being done. In the case of the United States a formal reference was made to the United States Congress in respect of this agreement, not with a view to ratifying a treaty but in order to implement their undertakings, and to do the things they wanted to do the United States administration had to seek from Congress a change in the law of the United States. We were more fortunate in that the operations in Canada could be carried out without any change in the law.

**Mr. Lambert:** Under what authority?

**Mr. Drury:** Under the various laws providing for the administration of Canada.

**Mr. Lambert:** Including the remission of duty?

**Mr. Drury:** Including the remission of duty.

**Mr. Lambert:** As a general policy of remission of duty or simply the power to remit duty in particular cases?

**Mr. Drury:** The power to remit duty.

**Mr. Lambert:** In particular cases?

**Mr. Drury:** The power to remit duty. If this had been a treaty I would have agreed with the hon. member for Winnipeg South Centre (Mr. Churchill) that ratification would be required and that such a treaty could not become operative until ratification had been sought and obtained. The object in introducing a resolution to be approved by parliament was to provide members with an occasion for a discussion of this agreement. Perhaps the fact that it has been, to some degree in any event, in operation for a period of 15 months makes such a discussion much more intelligible than would have been the case if it had all been purely hypothetical. It is quite clear to me that hypothetical questions of a serious character are not at issue in respect of this agreement.

**Mr. Churchill:** Mr. Speaker, could I ask the minister a question?

**Mr. Drury:** Some doubts have been expressed as to the way in which this agreement is operating. Some questions have been