

forth many other agreements which will help Canada along on the road to progress.

Therefore, I believe that every member should state his views on this question, because such an agreement may have some bearing on the industries in his own riding.

For instance, in the wonderful riding of Sherbrooke—you may possibly believe it is somewhat like in Hong Kong—all sorts of problems seem to crop up. Obviously, it is a model constituency from the viewpoints of industry, its bilingual character and the mutual understanding which exists in the industrial areas, but this agreement does not provide adequate protection in its regulations for the producers of original parts for the automobile industry.

I would like to bring to the attention of the minister a complaint originating with a Sherbrooke concern, the Bemis Associates of Canada Limited, manufacturers of vinyl covered fabrics, which is not considered as a supplier of original parts for the automobile industry. This company, as a result, does not meet the eligibility requirements under the regulations for assistance to the automotive products industry.

I would ask the hon. minister to consider the point of view of the Bemis and other companies which often face the same problem, and to extend the agreement so as to include the suppliers of materials to the automobile industry. These Canadian companies, like many others, are interested in going ahead with their industrial expansion and are willing to support the Canadian government in all good projects which, like this one, may bring about certain clashes which we hope to be temporary. We ask the minister to bring remedial measures in all fields and particularly those which could be affected by such a trade agreement between Canada and the United States.

[*English*]

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I am very much interested in this topic for a number of reasons. I have been listening to the debate and reading what was said yesterday by hon. members who spoke then. The ground has been well covered and I do not wish to repeat some of the arguments that have been used already. I noticed that the hon. member for Wellington South (Mr. Hales), the hon. member for Danforth (Mr. Scott), the hon. member for Oxford (Mr. Nesbitt) and the hon. member for Edmonton West (Mr. Lambert) put forward quite a number of very good arguments

Canada—U.S. Automotive Agreement

yesterday in connection with this very important matter. We have heard today from those who have been defending the agreement and attempting to indicate how useful it has been for Canada.

When the matter was raised in the house a year ago a great deal of emphasis was placed on the fact that our balance of payments situation, particularly as it affected the automotive industry, would be improved by the operation of this plan. However, we have had the evidence presented to us yesterday by the hon. member for Wellington South that this has not been the case. He pointed out that the net automotive trade deficit with the United States rose from \$578 million in 1964 to \$674 million in 1965, an increase of almost \$100 million. The great fanfare that we listened to a year ago to the effect that the balance of payments situation would be improved was just propaganda and not based on an accurate assessment of exactly what was going to happen.

I have looked at the index for *Hansard* for 1965 and just as an indication of how important the automotive industry is to Canada, as reflected by questions and debate in the house, you will find that the references in the index to the automotive industry in various forms cover one and a half pages. It is a vitally important subject, not only to those in central and eastern Canada who are engaged in the manufacture of automobiles but to those living in other parts of Canada who are consumers and pay the price for automobiles. Hope was held out to us a year ago that there would be a reduction in the price of cars as a result of this agreement but that hope has not been realized. We have not seen the benefit of that yet.

There was a great deal of talk about increased employment, but offsetting that has been a decrease in employment depending on the segment of the automotive industry at which you are looking. As was pointed out in the debate yesterday, you may have an increase in employment on the assembly line and a decrease in employment in the parts manufacturing area. All told, therefore, it is an uncertain course that has been pursued by the government.

One of the main complaints from this side of the house, and one with which I want to deal, is the method by which this agreement has been brought before parliament. A year ago we were advised that the government had signed an agreement with the United States. We were told there would be an