

Proceedings on Adjournment Motion

But if it serves to strengthen Canada's undoubted sovereignty in the Arctic, would anyone in this House decry that auxiliary accomplishment? Beyond the immediate need for Canada to preserve the ecology of the Arctic it is essential that all Arctic nations agree on methods to protect the Arctic ecology.

Our present concern with Arctic sovereignty should not overshadow the fact that we share the Polar region with the United States and other nations. The Soviet Union already has cities in the Russian Arctic and has reputedly found large oil deposits there. Beyond the measure before us she obviously enjoys a special degree of support. Canada should initiate talks with all her Arctic neighbours, including the Soviet Union, and pool information on ecology for the purpose of setting and extending anti-pollution standards not only throughout the Arctic but to all other areas of the world seas.

Mr. Speaker: The hon. member for Skeena (Mr. Howard).

Mr. Howard (Skeena): May I call it ten o'clock, Mr. Speaker?

Mr. Speaker: It being ten o'clock, the House will now consider the adjournment motion.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

INDUSTRY—CRITERIA FOR PAYMENTS TO AUTOMOBILE COMPANIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, on March 23 last I asked a question of the Minister of Finance (Mr. Benson) as recorded at page 5460 of *Hansard*. It had to do with the comments of the Auditor General as they appear in volume I of his report for the fiscal year ended March 31, 1969, at pages 94, 95 and 96. My question concerned the Auditor General's comments on the \$180 million paid out by Order in Council P.C. 1969-172, \$173 million of which was paid to a single auto manufacturing company, which I take to be the Ford Motor Company of Canada.

I asked why this money was paid out by Order in Council to this company when other companies such as General Motors and

Chrysler were paid under Motor Vehicles Tariff Order No. 1965. The Auditor General gave the reason for this, as presented to him and to the Public Accounts Committee, and stated at page 95:

From the evidence given, it is obvious that in determining whether or not a vehicle manufacturer has complied with the requirements of the Motor Vehicles Tariff Order 1965, the Department of Industry, Trade and Commerce and the Department of Finance follow criteria additional to those incorporated in the Tariff Order.

• (10:00 p.m.)

The officials of these departments, when testifying before the committee, appeared to place greater emphasis on criteria which are not included in the Tariff Order than on certain criteria which are included.

It seems to me that the criticism of the Auditor General is clear and specific. There is a Tariff Order under which rebates are made under the Canada-U.S. Auto Agreement to companies which are signatories to that agreement. The other auto companies have qualified under that Tariff Order. The Ford Motor Company for several years now has not complied with the Tariff Order and is not eligible for the rebates. However, on the basis of criteria which are not included in the Tariff Order the government has seen fit successively, year after year, to rebate to the Ford Motor Company the money to which it was not entitled under the Tariff Order. In this way \$173 million has been paid out to the Ford Motor Company by Order in Council without any statutory authority. I say that because the company did not and could not comply with the Tariff Order.

I have read the evidence presented by the Minister of Industry, Trade and Commerce (Mr. Pepin) before the Public Accounts Committee in which he points out that certain agreements took place in an exchange of letters between the government and the president of the Ford Motor Company. I point out that those letters are not law and that if there are criteria upon which the Ford Motor Company was to be paid the \$173 million, those criteria should be placed in the Tariff Order.

The other day I asked the Prime Minister (Mr. Trudeau) if the government's contention that the Auditor General was invading the field of policy was based on the Auditor General's criticism that the payment of \$180 million was on the authority of an Order in Council instead of on the authority of the Tariff Order. The Prime Minister replied that this was the case. I point out, Mr. Speaker, that the Auditor General was not objecting to money being paid out under the Canada-U.S.