

Canada—U.S. Automotive Agreement

parliament. I suggest that this order in council was put into effect under powers which had already been given to the executive by parliament when it passed the Customs Act giving the administration power to vary tariffs and schedules without reference to parliament. In other words, the government was using a power which parliament had already given to it to make changes of this type.

I would remind hon. members opposite that when the previous government put into effect its extremely limited and scarcely effective program involving the import of transmission parts it did so by order in council without any reference to parliament beyond the tabling of the order. It is obvious that the present government was free to make these tariff changes by virtue of the power already given to it by parliament in order to permit the expansion for which provision was made in the first export incentive plan to continue without the interruption which would have taken place had there not been this ability to maintain continuity between the first plan and the second plan.

• (12:10 p.m.)

Another important aim of this treaty is to give Canadian consumers the opportunity to purchase cars at prices reasonably similar to those available to their counterparts in the United States. I think it was said right at the beginning that this result was something that could be expected over a period of years, but it is very encouraging to note that already there have been decreases in the prices of cars to Canadians which are such that, according to one suggestion, if these decreases are totalled they approximately equal the amount of duties which the government supposedly is not collecting from the automobile companies because of this treaty arrangement.

However, I suggest that basically jobs are just as important or more important than prices. Lower prices do not mean too much if people do not have the money in their pockets to afford them. Reference was made to the 80,000 cars being manufactured by Chrysler in Windsor to be sold to the United States. Let us not forget that there are people working today to manufacture those cars who were not working several years ago when production and employment by Chrysler at Windsor were a lot lower than what they are today because of this and other programs of the government.

Mr. Starr: What other programs?

Mr. Gray: I am referring to the area development program which has helped bring thousands of jobs, a number of new plants and the expansion of others to the Windsor and other areas of the country. According to information that is publicly available, in Windsor alone the Ford Motor Company is making fresh investments of \$50 million in new plant and equipment.

Frankly, I was rather surprised to hear speakers from the New Democratic Party calling for an immediate removal of the tariffs in a way that would permit individual consumers to drive over to Buffalo or Detroit, buy new cars there and bring them back without reference to existing tariff requirements. I suggest that if that step had been taken before the Canadian industry had been given a reasonable opportunity to readjust itself, to rationalize its production, to bring its costs in line with its American competitors, the basic effect would be to throw some 80,000 Canadian auto workers out of jobs.

At the present time, because of the way this treaty and the surrounding arrangements have been created, Canadian plants and workers continue to have privileged access to the Canadian market, with a new access to the American market that they never had previously. An N.D.P. spokesman said last night that the removal of tariffs for individual purchases at this time would be the quickest way to protect the Canadian consumer. I suggest that if that were done at this time it would be the quickest way to destroy thousands of jobs.

Mr. Scott (Danforth): I hope the hon. member does not mean to misrepresent what I said. I indicated that if the auto companies do not pass on the savings to the public the quickest way to force them to do so would be to reduce the tariff on individual purchases.

Mr. Gray: I am glad of the interjection by the hon. member for Danforth (Mr. Scott) because it reinforces the point I was about to make, namely, that the removal of tariffs is certainly an ultimate weapon to be used by the government when in its opinion parity of costs of production has been reached between American and Canadian cars but without reasonable parity of prices being achieved. Obviously this would be a step to be taken not immediately but after a reasonable time has been given for the necessary adjustments to be made in Canadian production.

The hon. member for Edmonton West (Mr. Lambert) asked a very important question