

For example, just to have the value of Canadian production match our consumption, a further investment in excess of \$2 billion could be required.

The present need for expansion and modernization is not unlike the situation the industry faced back in 1964 (departing, of course, from a higher level). The need for greater product specialization and plant improvement which was emphasized by the Agreement will most certainly continue into 1975, if not permanently. I'm sure that you fully appreciate this and that you will take the necessary steps to meet this challenge as you have done in the past.

To date, the new investment required has largely been met by the industry itself and I am hopeful this trend will continue. In order to complement the industry's efforts in this regard, the Adjustment Assistance Board was formed to provide financial assistance and tariff remission on production machinery to help all parts manufacturers to compete in the new market.

As you are all well aware, this Board has been under the capable direction of Dr. V.W. Bladen, whose close association and understanding of the automotive industry is well known. I hardly need to mention his outstanding contribution to both government and industry down through the years.

Since 1965, the Adjustment Assistance Board has granted 73 loans totalling about \$60 million. Its tariff-remission activity has granted remissions of approximately \$5 million on automotive production machinery and equipment. A further 24 remission applications are still under consideration.

We feel this is proof positive of the Government's efforts to complement those of the industry itself, proof also of the Government's concern in assisting manufacturers to be as competitive as possible by obtaining the most modern equipment available.

As you may be aware, Government programs, including the activities of the Adjustment Assistance Board, are now under review in Ottawa to assess their current status and future relevance. In this regard, the industry's views and recommendations expressed through the Association and its executive have been most welcome and are receiving close consideration....

One more word on marketing. There are many rumors regarding suggestions for a broadening of the Auto Agreement to include a wider range of products. In this regard, we recognize your industry's concern about certain of these suggestions and your views have been helpful in the Government's continuing assessment of this matter.

I wish to assure you that the Government will carefully weigh all the ramifications of any proposed changes or additions to the Auto Agreement -- always keeping in mind the significant role which has been and will continue to be played by the parts manufacturing industry in the success of the Agreement and in the economy of the country. I presume this is judgment and thoroughness -- and, remember, politicians too have to be good managers! ...