

Canada—U.S. Automotive Agreement

Mr. Addison: The hon. member for Winnipeg South Centre made reference to a book now being published, written by the former minister of finance. I have read excerpts from this book which appeared in the *Globe and Mail* on Thursday, May 5, and I should like to quote a portion of the article:

Referring to events during his term as finance minister, Mr. Gordon indicated that *Time* and *Reader's Digest* magazines were exempted from the Canadian ownership legislation of 1965 as a trade-off to secure passage through Congress of the auto agreement. The legislation extended to newspapers and magazines the existing law requiring that control of Canadian radio and television stations must be held by Canadian nationals. *Time* and *Reader's Digest* were exempted on the grounds, Mr. Gordon said, that these periodicals had operated in Canada for many years and recently had been doing their printing in this country.

"Many people were unhappy about the exemption of *Time*," he said. "Its preferred position makes the establishment of new Canadian magazines more difficult."

I hope in this particular instance, where we have a strong, equitable bargain, that we have not at the same time traded away the possibility of distinctively Canadian publications being successful. I realize that the automobile business is, as the hon. member for Danforth said, a horse trading business. When we renegotiate this agreement, which runs in perpetuity, I hope we shall do so with wisdom. The agreement has the stipulation that it can be cancelled after one year and at the end of 1968 it will be renegotiated. I am sure Canadian manufacturers will eventually be expected to stand on their own feet. The guarantees presently enunciated in the agreement will sooner or later disappear, at which time we will be expected to produce automobiles in this country at prices comparable with prices existing now in the United States. I am sure we will be successful.

Mr. D. V. Pugh (Okanagan Boundary): Mr. Speaker, I had no intention of participating in this debate but after listening to the remarks of some hon. members the thought struck me that because this agreement is to last forever there will have to be amendments made from time to time. That is only a common-sense approach to the situation because we could not have a hard and fast treaty with terms that are suitable now applying in the future in the light of changing world conditions.

The point I am making is that it would be a good idea to refer this agreement to a committee of the house before renegotiating in order that parliament might have all the

[Mr. Winkler.]

existing facts before it. Obviously we are not going to be successful in having this resolution referred to a committee prior to its approval because the government will not accept that proposal. However, in future, because of changing world conditions, a committee of this house should make a thorough examination of conditions at the time of renegotiation in order that the aims and purposes of this treaty can be attained.

The last speaker has just suggested that the Canadian automobile industry will be expected to stand on its own feet in the future. I think the industry is standing on its own two feet now and that if we continue to take advantage of the favourable parts of this treaty the industry will benefit. One must remember that we are now operating on a devalued dollar basis. What would happen if a situation developed in which there was closer parity between the Canadian and U.S. dollar? It is in the light of this type of consideration that I suggest a committee of this house should have the most up to date information possible regarding the difference in automobile prices between Canada and the United States.

There is a host of other points which must be taken into consideration when this treaty is renegotiated. The last speaker referred to research. I agree wholeheartedly that if and when greater and better research facilities are developed here trained Canadian researchers will remain in the Canadian industry.

● (2:00 p.m.)

It would seem to me that these are all matters we should be discussing as we proceed from the point of passing this treaty. We should be discussing them not just when any change is considered desirable in future but right through the piece so that we in the House of Commons will be kept up to date.

Mr. Robert McCleave (Halifax): Mr. Speaker, my intervention in this debate will be very brief because the matter I intend to raise by way of a question to the Minister of Industry (Mr. Drury) is rather outside the scope of the agreement now being debated in the house. It arises from a question I asked the other day and the fact that Nova Scotia, which is one of the three automobile producing areas of Canada, apparently faces a difficulty regarding tariff arrangements. The voluntary economic planning board of the province has pointed this out. Therefore, Mr.