

AUTOMOTIVE PROGRAM PROGRESS REPORT

In an address to the Public Accounts Committee on June 17, the Minister of Industry, Trade and Commerce, Mr. Jean-Luc Pepin, declared that the production of motor vehicles in Canada had increased by 76 per cent, from 671,000 units a year to over 1 million, since the signing of the Canada-United States Automotive Products Agreement in January 1965.

Mr. Pepin's remarks are summarized below:

On January 16, 1965, Canada and the United States signed an Automotive Products Agreement providing for the removal of tariffs and other impediments to trade between the two countries in motor vehicles and parts. Certain conditions were included to enable the industries of both countries to compete in the North American market on an equitable basis. To Canada, these conditions also ensured that a vehicle manufacturing firm would not produce fewer units than it had in 1964.

The conditions, however, did not give any assurance that the Canadian industry would expand within the greater market created by the Automotive Agreement. The Government, therefore, discussed the situation with each of the automobile firms that agreed to undertake a substantial expansion of production over a short term. The Government recognized that in several cases the companies would have difficulty achieving the great expansion and "restructuring" needed in their manufacturing operations.

In each case, companies and departmental officials discussed these difficulties as they developed. The Government indicated that it would be

prepared to evaluate companies on the basis of performance and would give fair consideration to any contingent liability that might arise from their not having satisfied fully any specific condition.

EFFECTS OF AUTO PACT

A number of companies that have experienced difficulties have been brought to the attention of the Public Accounts Committee. The Committee was assured that this group of companies satisfied all the requirements placed upon them by the Government and, in most instances, these requirements were substantially exceeded. Canada's automobile industry has responded positively to the challenge of the new opportunities created by the Agreement. Motor-vehicle production has increased in this period by 76 per cent from 671,000 annually to in excess of 1 million units. The value of factory shipments of parts has grown 71 per cent, from \$628 million to over \$1 billion. Canada's exports of automotive products have increased by 2,400 per cent, to more than \$2.6 billion in 1968. At the same time, thousands of new jobs have been created in the automotive and suppliers industries.

Even with this spectacular growth, Canada's production of automotive products falls far short of its consumption. While expansion is continuing at a satisfactory rate, the fullest co-operation between industry and government, and the fullest support of labor will be necessary to ensure the progress of this industry towards making its just contribution to the national economy.

GOOD WISHES TO PRESIDENT POMPIDOU

On June 16, Prime Minister Trudeau sent the following message of congratulation to President Pompidou of France:

The people of France have chosen you to discharge the duties of the highest office of the Republic. On this occasion, I am honored to convey to you the congratulations and the best wishes of the Government and the people of Canada, together with my own.

I earnestly hope that France will prosper and flourish throughout the seven years of your presidency.

It seems only natural to me that our community of history and interests should favor, between our two countries, a continuing dialogue and a spirit of friendship, co-operation and mutual assistance. I derive great satisfaction from the concrete measures that France and Canada have already taken in this respect, and I am convinced of the benefits that

would accrue from their diversification and their expansion in those fields in which valuable results have already been obtained.

Please accept, Sir, this expression of my highest personal regards.

SOVIET MARINE EXPERTS VISIT

Mr. T.B. Guzhento, First Deputy Minister of the U.S.S.R. Ministry of Merchant Marine, and five senior Ministry officials, spent ten days in Canada, beginning on June 23, as guests of the Department of Transport, to view Canadian marine facilities available to ships of the Soviet Union.

The party visited various installations along the St. Lawrence River and Seaway, as well as DOT marine-research projects at Montreal and at the National Research Council in Ottawa. They also visited facilities at Montreal of the National Harbors