

Canada-U.S. Automotive Agreement

are frankly deluding ourselves. This will be so until Canadian manufacturers can be in the position of their United States counterparts who do not have to pay the silly 11 per cent sales tax on production machinery, or the import duty on machinery.

Next we are going to hear about the parity of wages as between American and Canadian automobile workers, regardless of whether production per man hour is going to be equivalent on both sides of the border. That makes no difference to those advocating this parity, who just look at the dollar sign, and who do not look at what is done to earn that dollar. If this parity begins in the automobile industry, and this is expected, the next step will be to bring it into the steel industry and to related industries, one after the other.

Where do we go from there, so far as Canadian industrial production is concerned? I would suggest, by introducing the measure under consideration, that we, as Canadians, have embarked on a very dangerous toboggan slide, and we may be in a position where we have to go along for the ride, to the bottom of the slope, unable to control our course.

These are some of the questions that have to be examined. They have not been discussed in the house. They have not been exposed by the minister. He has not spoken about this question of parity wages. He has not spoken about the suggestions being put forward by the hon. member for Coast-Capilano (Mr. Davis) and by the hon. member for Halton (Mr. Harley).

Similar types of agreements might be contemplated to be entered into in other industries. I should like to hear from the Minister of Industry about some of these kites that his colleagues are flying. I do not agree with the minister's thinking. I have some grave reservations as to this agreement because of the penury of information. The minister quoted statistics. He gave, in percentages, increases of exports and increases of imports. If my memory serves me correctly, the financial pages of the newspapers within the last fortnight have indicated that the increases of imports on a dollar basis exceed the increases of exports on a dollar basis.

● (9:00 p.m.)

The position is no better. As a matter of fact, it is worse, from the position of the balance of payments. Where has been the gain? After all, this auto agreement was designed to deal specifically with the ever-growing deficit on international account. The

minister may shake his head but there are many people who will disagree with him. It would be a valid reason. Remember, we are facing a deficit which amounts to roughly \$600 million on the automobile account each year. It would be well worth striving for, to reduce a deficit of these proportions. If the present agreement has the result of reducing the deficit on the commodity account with the United States, let us give three cheers. That would be a point in its favour. But so far this has not been the case. The gap has widened. What will it be next year? Will the gap be wider still?

The minister spoke about increases in production but these increases are not attributable to the agreement—not all of them, by any means. The Canadian public has itself been responsible for a good deal of the increase in sales, whether the increase is measured in units of 100,000 vehicles, or in percentages or in dollars. The Canadian public has bought more vehicles. It is true that somewhere along the line we may have shared in an increase in the consumption in the United States. But let us not seek to give the impression that all this increase has suddenly come about because an auto agreement was made. To do so would, in the best possible light, amount to innocent misrepresentation and in another light it could amount to deliberate misrepresentation of the facts. As I say, I am not satisfied with the information we have been given with regard to this agreement. Neither is anyone else in this house.

I ask a further question. What is the value of this automotive agreement to those regions in Canada where there are no parts manufacturers or assembly plants and where the work force is not directly affected? Ministers went around the country last fall, receiving appropriate publicity—pieces were put in various newspapers by inspired writers—all announcing with great fanfare that the public would see a reduction in prices as a result of this pact. There was to be a substantial narrowing of the gap between the prices of a particular model in Canada and in the United States. We all know what happened last fall when the price increases were announced. The manufacturers suggested they were price reductions.

I believe it was the Chrysler Corporation which made the first announcement of a price increase. It did not meet with the approval of the United States administration and serious growling came out of Washington. The next company to do the same thing—I believe it