

Canada-U.S. Automobile Agreement

the Canadian car manufacturers with the thought in mind of reducing the price of cars in Canada. But have we seen any sign of lower prices in Canada Mr. Speaker? There has been not one indication of lower prices for cars in Canada.

I maintain that the price of cars in Canada will never decrease, but that the price of cars in the United States will increase until the two eventually reach the same level. That is what will likely happen. Nevertheless we have seen Canadian cars made at Ford's in Oakville shipped to Buffalo, and then sold on the Buffalo market to United States citizens at a price away below that which the Canadian taxpayer has to pay for the same car in Canada. In other words, this is free trade for the producer but not free trade for the consumer. If the Government takes \$50 million away from the consumers it should give them a break and sell them their cars at the same price as the United States price. As I say, it is free trade for the producer but not for the consumer.

Now, Mr. Speaker, just imagine the Liberal Government entering into this treaty without making any provision for dislocation of small industries and businesses, or for those human souls occupied in these industries who are to be put out of work or transferred. There is no adjustment or assistance legislation to help these people. I might point out that this was one of the major provisions in the United States bill regarding this treaty, a copy of which I have before me. Their bill makes specific recommendations to take care of these people who will be transferred or laid off, providing adjustments of various kinds. But there is nothing in the proposed Canadian legislation to provide for a retraining program. There is nothing along that line. I think it is just another case of this Liberal Government going into a treaty without realizing the ramifications and complexity of it and its over-all long-term effects.

I conclude, Mr. Speaker, by saying that we as Conservatives believe that you cannot lose your economic independence without losing your political independence. This is one of the most important and fundamental differences between the Conservative philosophy and that of the Liberals. I regret that the Minister has not seen fit to give the opportunity to the House to have a free-wheeling debate before now on the subject. However, as I said before, I did take the opportunity on interim supply to discuss some phases of this very complex subject, and I do hope that

the Minister will answer some of the questions about this treaty which we on this side have asked.

● (8:30 p.m.)

From what we know from the limited information provided to Parliament, it would appear that Canada will receive the short end of the deal when this treaty is ratified.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, we are engaged in a discussion of what, in my view, is a very important topic. I should like to remind the House that on a number of occasions the Government has emphasized its view of the importance of this topic and the agreement, and has undertaken to make provision for a full-scale debate on a resolution to be introduced by the Government, seeking the approval of Parliament of this particular agreement. There has never been any intention on the part of the Government to sign, implement, ratify, or consummate a treaty without first seeking the approval of Parliament, accompanied by an appropriate debate and an opportunity for the expression of opinions.

It is unfortunate perhaps that in anticipation of such a debate there has been today some partial discussion of this topic. I do not think this is the appropriate occasion for such a discussion, as we are not discussing the resolution itself or formal approval of an agreement, in a full-scale debate. I will, however, endeavour to give a brief outline of this agreement and its implications, and to answer some of the misconceptions that have been expressed in the House this afternoon and evening.

There is, of course, a great deal of interest, as one naturally would expect, in the country in respect of the automotive agreement which was signed by the Prime Minister (Mr. Pearson) of Canada and President Johnson in Texas in January this year. I would remind hon. Members that the principal objective of this agreement, and there has perhaps been a tendency to overlook this principal objective, which has led to a number of conclusions being reached which are unfounded, is to expand substantially the manufacture in Canada of automobiles and automobile parts. We look to this agreement to produce a substantial expansion in the automobile manufacturing industry in this country, and I will indicate later in greater detail why it is expected that this expansion is expected to be considerable.

As a consequence of this agreement, I am convinced that such a substantial expansion