

Canada-U.S. Automotive Agreement

the agreement which worry us. I know it will be approved. In fact I think the minister would have to commit suicide if by some miracle we did not approve it. What would he do, if by any strange chance we turned down an agreement which has been in effect for 15 months. This agreement confirms, once and for all, the complete domination of our automotive industry by United States subsidiaries. A large United States owned auto producer has a tremendous advantage in this kind of nationalized market which you are bringing about. If ever there was any doubt about it, it now is settled for all time that our industry is completely dominated by the United States subsidiaries in this field.

Second, the pact is one sided, mostly in favour of Canada, and perhaps we should congratulate the minister on good horse trading in that regard. In any event, it is dependent on the benevolent good will of the United States auto companies. This is the first time, in my knowledge, where a Canadian government policy is subject to the whims and good will of American private business. It will be interesting to watch 1968, when this comes up again, because by that time the integration will be so complete that there never will be any opportunity to reverse it; that may be inevitable, but at least it is established.

Third, this constitutes a disturbing integration of our facilities with those of the United States. It makes us, therefore, highly vulnerable to United States decisions. This too may be inevitable, but it now is pretty obvious that from here on in the decisions we can make in one of the greatest industries we have are not our own to make. They will be very vulnerable in respect of decisions from Washington or Detroit. Indeed, from now on when Washington hiccups Ottawa will tremble in the automobile business.

Fourth, this represents a strange paradox in government thinking—a subsidy of many millions of dollars and a tax on building materials for the houses our people have to provide. There is something wrong in this approach. Maybe we will sort it out before the debate is over.

Fifth, there has been disturbing talk, not from the minister but by some of the responsible backbenchers, of an extension of this type of development into other areas. We have heard of tires, forest products, and an extension of this whole plan to other sectors of the economy. I hope this is not so, and I hope the government will go very carefully.

The automobile industry is unique; there is nothing like it in North America. We have a few large foreign owned firms producing the same products on both sides of the border. To extend this would continue the integration of Canada with the United States and, just as important, it would create great harm for Canadian firms operating in an industry which is not United States owned, because they would be at a fantastic disadvantage, one which they could not overcome.

When speaking of integration with the United States, most of us feel this government is committed, in that they have accepted the view that we have passed the point of no return and that it will be a lot easier in the long run to integrate smoothly with the United States economy. I think the continentalists have taken over in this government, notwithstanding the window dressing, and that they really have accepted the fact that it is too late and we cannot overcome this American ownership.

Those are the problems in this agreement. We realize we cannot stop it nor, perhaps, would we. These are the disturbing aspects of it about which I would hope the minister would try to set our minds at ease before we rubberstamp it.

May I say one further word. The minister is interested in auto safety. We hear in the press that he is preparing a voluntary code of auto safety to be issued shortly. I should like to suggest to him that if he really is serious about auto safety, he should remember his experience with the voluntary participation of the companies under this legislation, and if their participation in auto safety is as good as it has been under this, it is useless to be designing and issuing the code.

Briefly those are our suggestions, and they will be enlarged upon by other members of my party as the debate proceeds.

Mr. H. C. Harley (Halton): Mr. Speaker, I wish to participate briefly in the debate on the auto agreement because in my constituency of Halton is one of the largest auto manufacturers, the Ford Motor Company of Canada. If we look back to the minister's statement on the introduction of this trade agreement, we will see that the statement said it was a program designed to achieve a substantial expansion in production and employment, and to promote improved competitive efficiency in this important sector of Canadian manufacturing.