

*Canada—U.S. Automotive Agreement*

**Mr. Churchill:** The cabinet needs a lot of direction like that.

**An hon. Member:** It was coincidental.

**Mr. Addison:** The agreement has been considered very thoroughly both by the minister in his opening remarks and by members from each party in the house. There are two aspects of the agreement which bother me, as I am sure they bother other members in the house.

• (1:50 p.m.)

One of my reasons for asking the minister to bring the agreement before the house as soon as possible is the activity and interest in Canada in respect of safety in so far as the automobile industry is concerned. The United States government and the United States manufacturers who control the automobile industry and manufacturing facilities in Canada have agreed to work in co-operation to provide legislation in so far as safety equipment is concerned. Therefore we will be automatically included under this agreement. It seems to me we should know exactly where we stand in this parliament if we are going to be asked to pass laws to increase highway safety. Standards of safety in the United States might be different from those we feel are necessary in Canada. Certainly in the past there has been a difference in the specifications of a United States manufactured car and a Canadian manufactured car.

We have all read the guarantees which form part of this agreement. I hope that we will continue to enjoy distinctively Canadian automobiles but I suppose this will depend on the good will of the manufacturers. Over the years we have developed distinctive names for Canadian manufactured cars and I hope this situation will continue. In the future I hope we will see more research and development in Canada but at the present time very little of that type of activity takes place here. While manufacturing facilities are being used primarily to produce automobiles and provide employment in an effort to alleviate our balance of payments problem, I hope that some development will take place in Canada whereby manufacturers will undertake to bring skilled people into this country.

The hon. member for Danforth (Mr. Scott) asked what the alternative would be if the price of cars in Canada did not come down so as to be more comparable with existing prices in the United States. In my opinion these prices will come down over a period of time

because it is in the best interests of manufacturers, unions and everyone concerned with the automobile industry to bring our prices into favourable comparison with United States prices.

We all realize that this agreement pertains only to manufacturers and at the present time only to manufacturers of original equipment. There is no suggestion that someone could go from Canada to the United States and purchase an automobile at a lower price and return with it. That is not the purpose of this agreement. However, in connection with the suggestions of the hon. member for Danforth, there should be some voluntary aspects in price labelling of automobiles in the future and I believe that prices should be clearly indicated and that these labels should remain affixed to the automobiles until they have been delivered.

The advantages of this agreement have been enumerated by previous speakers. In my own area, which is about half way between Oshawa and Oakville, the opportunities for new manufacturing facilities are immense and already one factory is located in the township of Whitchurch.

**Mr. Winkler:** We should have a little more decentralization.

**Mr. Addison:** I should like to comment briefly on Canada's automobile industry so far as foreign markets are concerned. We supply quite a large number of automobiles to the Caribbean market, which is a favourable one for Canada, not only because of our relationship with Caribbean countries but because this trade signifies to them, many of whom are emerging as independent countries, that Canada is a real friend. As a result of our distinctive Canadian automobiles going into these areas we are able to build up a good reputation in these markets.

The hon. member for Winnipeg South Centre (Mr. Churchill) was critical of the government for the way this treaty was brought about. It seems to me that over the last 15 months we have had a reasonable opportunity to observe the effects of the agreement, which to this point have been excellent. I think the Minister of Industry (Mr. Drury) and the government should be complimented in this regard.

**An hon. Member:** Hear, hear.

**Mr. Winkler:** Well, you have one supporter but he only used one hand.