

Canada—U.S. Automotive Agreement

that there is no control and that the federal government is authorized to pass such an order. I am not discussing the legal aspect of the order in council, but I am of the opinion that the government took too long in submitting this agreement to the house. I believe that, in future, when similar agreements are signed with the United States or other countries, the house should be informed as soon as possible of the provisions of these agreements, so that we may issue the necessary warnings, bring about corrective measures and so that Canadians may bring forward their opinions in order that there may not be too much time between the formulation and the implementation of agreements as sound as this one and that corrections made be included in these important trade agreements.

Several voices have been heard in Canada with respect to this international agreement. For instance, the production director of the General Motors plant in Ste. Therese is quite enthusiastic about it. Indeed, as reported in the newspaper *La Presse*, of Wednesday May 4, 1966, he stated:

Next year, General Motors will double its production at its Ste. Therese plant and will export a part thereof to the United States.

● (12:50 p.m.)

This was the statement made to the representative of *La Presse* by Mr. D. C. Lowe, production director of the plant.

Also, the president of the Ford Motor Company of Canada, Mr. Scott, said that the agreement restricting free trade between Canada and the United States is a bold experiment in industrial policy, justified by very plain economic considerations.

We were also informed of a press release made by the Minister of Industry dated December 29, 1965 and containing very interesting information on automotive production and trade. I quote:

As a result of the assistance given by the department, 187 companies announced the expansion of their plants or the acquisition of new facilities. Of these companies, 71 have stated that the expansion will increase the number of workers by about 15,000 and 91 that the new capital investments amount to almost \$402 million.

During the first nine months of 1965, Canadian exports of automobiles and automotive parts reached \$220.8 million, that is 83 per cent more than the corresponding figure for 1964. Exports to the United States reached \$123.9 million for the same period in 1965, double the value of the corresponding exports in 1964. Imports from the United States rose by 18 per cent, from \$427.4 million in the first seven months of 1964 to \$541 million for the corresponding period this year.

This program resulted in an appreciable narrowing of the price differential between Canadian and United States prices for comparable models of cars.

In August, the government established the Adjustment Assistance Board, to provide loans for auto parts manufacturers and transitional assistance to workers in the industry.

This, Mr. Speaker, is in my opinion a most eloquent press release, which for several months has allowed us to hope for important and useful results from the agreement recently presented in the house.

Several Canadian and American economists obviously see this agreement as a modern counterpart of free trade. This is, of course, the present trend in world trade and each country must study the possibility of more lively commercial exchanges with one or more countries, always considering its own interests.

In importing and exporting commodities and in abolishing trade barriers, it should be considered that too great an influx of foreign products would, for example, be harmful to Canadian industry, or the good results expected may be wiped out by bad consequences in other sectors of the economy.

For a number of years, say since 1955, international organizations have been established throughout the world, for example the European Common Market, the Group of Seven, the Common Market of Latin America—and there is talk of a Pacific, south Asian common market.

At all events, it is obvious that governments, businessmen and economists intend to consider seriously the question of setting up a policy of free trade between various countries.

The agreement under consideration follows this course. However, I would ask the minister and the government to be very careful. I was indeed happy to notice that section 4 of the agreement provides for frequent consultations, during this pilot experiment, if I may call it that, which will perhaps be the first of a series of agreements with the United States and other countries.

Hence, it is important that the Canadian government should keep a close watch on certain areas of the production of automotive parts and other products, if manufacturers settle in Canada. This agreement will have to be revised if necessary, in order to protect, in the first place and very efficiently, the Canadian manufacturer and then favour substantially the Canadian consumer.