

Canada-U.S. Automobile Agreement

balance of payments position. I cannot see it for the life of me, Mr. Speaker. It sounds ridiculous to me. This applies all along the line. Take the plastic moulding that comes in straight strips, subject to 22½ per cent duty. If they shape it and twist it, it becomes a car part and comes in duty free. The lining for brakes comes in with a duty on it, but cut it according to the shape of the brakes and it becomes a car part and comes in duty free.

So here we have the situation where we have an 11 per cent sales tax on the equipment that makes these products, and on the other hand the higher cost of the raw material due to the 22½ per cent duty because it is of a class or kind made in Canada. So, Mr. Speaker, I would ask the Minister whether this is a matter of balancing trade or payments, or is it a question of setting up the 51st state of North America? That is the question before the House.

● (8:20 p.m.)

I would suggest that everything we do should not be based on the almighty dollar. It should be based on what we visualize to be in the best interest of this great country. Instead we are working toward selling out and losing our political independence through this free trade policy which hon. Members across the way are bound to bring about. I know the Minister feels that the agreement will increase jobs; I think he said about 9,000 or more jobs would be created. We agree it will create jobs on assembly lines, but is this the kind of employment we want for Canadians? Do we not want to employ more skilled people? Are we going to create jobs on a seasonal basis, where great production lines will be in operation during certain seasons of the year producing or assembling cars, and then all of a sudden they are shut down and people laid off work, with no continuity of employment? I do not think this is the type of jobs the Minister has in mind as a result of this automobile treaty. What about our skilled help? I think the Minister's plans are to export skilled help from Canada. This treaty will export skilled help instead of providing jobs in Canada.

Let me go back to 1939 and what Canada did in the war. We had skilled help, material and all the facilities available. We got busy and turned out a complete army truck designed and manufactured in Canada. Under this treaty we will lose this type of skilled help, and in cases of emergency where are we going to find this skilled help to do what we did in 1939?

[Mr. Hales.]

I might also ask, what about office help and purchasing and design departments? Already Ford have decided to move their purchasing department from Oakville to the head office at Detroit. The people there have been asked to take these positions in Detroit, and if they do not want to go they will be replaced by others. It is so ridiculous, Mr. Speaker, that we are going to find a Canadian salesman, selling, let us say, office and paper supplies on behalf of a Canadian paper producer, getting into his car and driving over to the purchasing department of Ford at Detroit in order to sell a made-in-Canada product which will be used in a Canadian plant. Going over to the United States in order to sell a Canadian product for use in Canada just does not make sense to me, it will create many, many difficulties.

I doubt very much whether there will be an increase in jobs. I know that the Minister will argue that an increase in production of one third is bound to create more jobs; but I would—

Mr. Deputy Speaker: Order. I regret to interrupt the hon. Member but I would bring to the attention of the House the fact that there are conversations going on in the Chamber which make it very difficult for the Chair to follow the speaker.

Mr. Hales: Mr. Speaker, I hope that hon. Members across the floor of House who do not want to listen would take a very serious look at this question, particularly the Liberal members, because there is a lot at stake in this treaty, and we on this side do take it very seriously. As I was saying, the Minister will argue that an increase in production of one third or more is bound to create more jobs. I would respectfully remind him that this situation would have existed anyway. Over the years the car industry has gradually been increasing in output, but this is an increase which is a natural one and would have taken place had this treaty not been signed with the United States.

Now a few words about the removal of the tariff and the subsidy of \$50 million. This money is taken out of the pockets of the Canadian taxpayers and given to the car manufacturers. It is almost the same as asking the Minister of Industry to ask every Canadian for \$2.50 per head, or to ask him to knock on the door of every Canadian household of four and ask them to give him \$10 to help defray this \$50 million we are giving to the car manufacturers by removing the Canadian tariff. This money is given to