

*Supply—Industry*

interesting metamorphosis in terms of organization. First, in 1963 the domestic commerce division was transferred to trade and commerce, and this provided the core for the new department. At that time the government of the day assured us that great objectives could be achieved by the effective co-ordination that would take place in respect of all our industrial affairs by reason of this department with its new core.

Then we had the integration of the department with the Department of Defence Production. Again the benefits of this new reorganization were brought before the house. We were told about the great economies of scale that would be obtained by the close integration of the two departments. However, the brand new marriage did not last very long. We then had the great division of 1966. We heard about the different sections of the department going around competing with each other. Now, once again, they are being integrated into the department of industry, trade and commerce.

**Mr. Pepin:** The division took place in 1963.

**Mr. Broadbent:** Now we are waiting for a proper new format with new expectancies in terms of the co-ordination of industry.

I should like to speak on a couple of other matters. One of the disadvantages of following a number of other speakers is that one has the benefit of hearing at least half one's speech made by someone else. Therefore I can assure hon. members that my comments will be quite brief.

I wish to add a few observations to those already made on the subject of the auto pact. The first observation is a very general one but although it is general I do not think it is any less relevant to the auto pact, the automotive industry or industry as a whole. I refer to the role of the trade union movement in the actual distribution of power within corporations. In the auto pact negotiations we see a good example of how the people most directly affected can be effectively removed from the decision-making centres in an industry. The auto pact originally was, and in terms of negotiations remains, substantially a product of the federal government negotiators and the representatives of management and industry. I am quite convinced that we would not have experienced what has happened in the past week at Ford Motor in Windsor had the trade union movement been directly involved in the original negotiations which led to the establishment of the auto pact

and in the other assessments which have developed in the past few months. The trade union movement, in respect of all sectors of industry rather than just the automotive industry, must have its power substantially increased in all areas in which it is directly affected. This is justice of the most elementary kind. We saw the effects of the absence of this power last week in the unilateral decision made by the directors of Ford.

● (5:40 p.m.)

The second aspect of the automotive pact I should like to comment on relates to the issue of price parity. It has been suggested by a number of defenders of the pact that this was one of the goals which in part has been achieved. There can be no doubt about that because we have moved from an average price differential of 8 per cent between United States and Canadian prices in 1964 to 3 per cent, I understand, in the past year. Obviously there has been some real gain in this regard. However, I cannot understand why the Canadian government has refused to make this matter the subject of a contract or law. Why has the Canadian government not insisted that within a certain fixed period of time, perhaps by 1970, automotive companies have similar average prices in the two countries? These would not necessarily have to be average retail prices because there are bound to be regional variations vis-à-vis manufacturers' dealers. Surely this could be a matter of contract. I suggest it should be a matter of contract.

We are faced with an ironic situation in that automobiles produced in Canada are sold in the United States at prices lower than those which prevail several hundred yards from the factory which produces them. This situation should not exist on the basis of any economic justification. When the minister again takes part in this discussion on his estimates I hope he will attempt to justify the absence of such a mandatory regulation.

Let me speak briefly about the pricing policies of the automobile industry, divorcing my remarks from the lack of regulation. We have observed constant increases in the prices of automobiles each year which have taken place as a result of some assumed divine right by the owners of this industry to increase prices without economic necessity. There is profit necessity but no other economic necessity. One of the leading automotive industry experts has pointed out—I refer