

Canada-U.S. Automotive Agreement

Member and the public, because the public has been asking about this, to what the Minister said. If the hon. Member can read, and I sometimes doubt that, he will find this on page 1129 of *Hansard*, and I quote the Minister:

I myself think it is more likely that we shall not have price increases than that we shall have significant price decreases—

In other words, what is the Minister saying? In the years to come as United States car prices go up we in Canada will be lucky because our increases will not go up at the same rate. At some point in the future, three years, five years or ten years from now, when United States car prices come up to the level of car prices in Canada, we will have equality. There will be no price decreases, but we will have equality. When the hon. Member talks about decreases, therefore, he is just talking nonsense.

I want to put on the record the fact that it is not only the Members of the N.D.P. and other opposition parties who are concerned about price decreases. Yesterday the Leader of the N.D.P. quoted an editorial which appeared in the *Vancouver Sun* on April 14, in which it is stated:

Among other things, Mr. Walter Gordon's forthcoming budget will have to defend the Canadian-American free trade deal in automotive products.

It can be easily defended if it means that automobile prices will soon fall. If they don't, the deal is quite indefensible.

Now, Mr. Speaker, the *Winnipeg Free Press*, which is just as partisan a supporter of the Liberal Party as the *Vancouver Sun*, had an editorial on April 17 from which I should like to quote a couple of sentences:

A much larger question now faces the Canadian Government as a result of the free-trade deal. It is whether this ostensibly constructive agreement will do any good for the Canadian consumer or whether it will benefit only a few rich automobile manufacturers.

I will interject at this moment to say that the Minister of Industry answered that question. This agreement is not going to benefit Canadian consumers; it is going to benefit the very rich automobile manufacturers about whom the *Winnipeg Free Press* talks.

• (4:50 p.m.)

Later they say that unquestionably this will turn out to be true if automobile prices are not reduced in Canada to the level that exists in the United States. That was the main purpose of the whole exercise. If it is not achieved, then the Canadian Government will merely subsidize the Canadian manufacturer by \$50 million a year, the amount of

[Mr. Orlikow.]

revenue lost in lieu of tariffs on U.S. cars and parts. This is what a Liberal newspaper says.

Whom are we subsidizing, Mr. Speaker? A U.S. Senate subcommittee recently held hearings on the concentration of industry, and a very eminent economist in the U.S., Dr. Gardner Means, presented testimony about the 100 largest corporations in the U.S.A. I want to point out whom we are subsidizing when we give the U.S. automobile manufacturers \$50 million which previously we were collecting in tariffs.

In 1962 General Motors had total assets of \$10½ billion; Ford Company had total assets of almost \$5½ billion, and Chrysler Corporation had total assets of \$1½ billion. This is the kind of corporation which the Government of Canada feels it is necessary to subsidize.

The question of company costs and profits has been raised. It is very difficult to get any information, but under the regulations of the American Security and Exchange Commission, companies have to file statements.

Chrysler Corporation filed a statement with the Security and Exchange Commission which showed that in the year 1963 Chrysler of Canada made a profit of \$17.7 million—and I commend this to the Minister of Industry for study by him—which was a rate of 36.5 per cent on the net worth of the company in Canada, which was \$48.5 million in 1963.

In 1964 Chrysler of Canada made a net profit of \$20.9 million, which was a rate of return of 31.5 per cent on a net worth of \$66.2 million. American Motors, a much smaller company, according to the figures it submitted to the Exchange Commission made a net profit in 1963 of \$3.3 million, representing a return of 58.5 per cent in that year. In 1964 it made a profit of \$3.6 million, representing a return of 40.5 per cent.

The Leader of the New Democratic Party has very aptly said that this Government is following the biblical injunction, that "to him that hath shall be given," and the Minister of Industry is just the Minister who can implement that kind of policy, a policy which helps the wealthy at the expense of the ordinary citizens, the consumer of car products in Canada.

Mr. Moreau: Would the hon. Member permit a question?

Mr. Orlikow: Certainly.