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A NEW LOOK AT THE CANADA-U.S. AUTOMOTIVE AGREEMENT

Excerpts from a Speech by the Honorable Jean-Luc Pepin,
Minister of Industry, Trade and Commerce, to the Canadian
Automotive Parts Manufacturers' Association in Toronto,
October 23, 1968

...As you are aware, we shall again very shortly be discussing the Canada-U.S. Automotive Agreement with the United States Government. Our neighbors seem to think that Canada has done a little too well out of the Agreement. We in Canada take the view that we have still a long way to go before we have - as indicated in the second objective of the Agreement - a fair and equitable share of the total North American market for automotive products. It will be important to try to bridge this difference of approach during the forthcoming discussions.

Tonight I should like mainly to review what has been achieved and better define the important job which still lies ahead.

"In the beginning" (1964) it was found that the automotive industry, even though it was already one of the most important segments of our economy, appeared to be well below the achievement of its potential sales capabilities. It was considered essential that a plan be devised which would enable the industry to expand its output to a level more in keeping with the market requirements.

As you all know, this concern led the Government to enter into "the" Agreement with the United States in an attempt to eliminate the barriers to trade in automotive products between our two countries....

The Agreement is now working well ... and, while all the objectives have not yet been fully realized, we have made good progress towards them.

What did the Canadian automotive industry look like in 1964?

The industry was competing with difficulty in its own domestic market, supplying only about half of it: Vehicle production was 671,000 units. Average monthly employment in the industry was 69,000 workers. The annual exports in vehicles and automotive parts from Canada amounted to a mere \$99 million. Our total automotive trade with the U.S. was only \$818 million, and 86 per cent of this was imports.