

*Canada-U.S. Automotive Agreement*

being collected. Now, I think that any tax reductions, any tariff reductions, involves making available to the people or firms from whom those taxes or tariffs were once collected, the amount that the government would otherwise have had. It has happened every time we have reduced taxes and tariffs. It is my understanding of this agreement, and the reasons behind it, that the auto industry, because of its connection with the United States and the pattern of ownership, and because of the impact it has on so many other sectors of the economy, is a key industry to work on to attain the needed objective spelled out by the Economic Council, of creating a million and a half jobs in Canada by 1970. I think the hon. Member will approve of this objective which this Government is following very effectively.

**Mr. Fisher:** I wonder if I could ask the hon. Member another question? He specified that there will be price competition as the situation develops between manufacturers. Is there some kind of guarantee that the price will come down?

**Mr. Gray:** I certainly think that the agreement gives us an opportunity for such competition, and it will give the manufacturers an opportunity to show to this House and to the country that they believe in the principles of free enterprise, and the benefits in this regard which it is said to bring to the people of this country.

**Mr. McCutcheon:** May I ask the hon. Member a question relative to the price of automobiles to the eventual consumer? He rationalized very well the reason that there would be no reduction in price to the consumer, and using the same yardstick in relation to the price of cars, how can he justify the auto manufacturers insisting their suppliers in this country supply them at United States rates? Do not the same rules apply to the suppliers as apply to, shall we say, the Big Three?

**Mr. Gray:** I was referring to an immediate price reduction. I am confident that this agreement will provide opportunities for prices in Canada and the United States coming closer together after the Canadian industry has had an opportunity to readjust and retool. We cannot expect the price of vehicles manufactured in whole or in part in Canada to come down if the components, whether manufactured by the parent companies or by independent suppliers, do not themselves come down in price. You have to start somewhere by asking that the prices

start coming down to the United States level. If my hon. friend really wanted the price to come down, then he would approve of this step.

**Mr. David Orlikow (Winnipeg North):** The speech by the Minister of Industry (Mr. Drury) yesterday was the speech that one could expect from a Member who represents the kind of constituency he does. The City of Westmount probably has the highest per capita income of any constituency in Canada. If the Minister talked in general terms about the fact that total employment would increase sharply as a result of this agreement, and that to attain this goal we would have to take the risk of temporary unemployment one cannot be too surprised. I doubt if he has ever met an unemployed person, let alone having one as a friend.

However, one would expect the hon. Member for Essex West (Mr. Gray), who represents a labour constituency and whose constituents know very well what employment can do in terms of living standards of the family, would be concerned.

**Mr. Gray:** I have expressed my concern.

**Mr. Orlikow:** The hon. Member expressed his concern, Mr. Speaker; he had high praise for the statement of the position of the Canadian leader of the United Automobile Workers. Then, the hon. Member ignored every single suggestion which was made to the Government, every single proposal which has been made by Mr. Burt. He talked about the fact the Government had met with officers of the auto workers. Does he not know that months ago the auto workers proposed to the Government that a tripartite meeting be held regularly to work out the details of the transitional period. Does the hon. Member know that the Government has not followed that suggestion? Does the hon. Member not know the Government has not followed that suggestion because the automobile industry does not want this tripartite agreement? I ask, whom does the hon. Member for Essex West represent, the workers in his constituency or the companies who own the workers and the industry?

**Mr. Gray:** Look at the voting results.

**Mr. Orlikow:** I hope the electors will ask that question.

The hon. Member keeps talking about reductions in price. I wonder if he has read the speech the Minister delivered yesterday? What did the Minister say? I refer the hon.