

Canada-U.S. Automobile Agreement

tion, making it clear that we wished to get on with the business of the House and are very much surprised that the New Democratic Party did not co-operate in this regard, particularly in view of the fact that we have been promised a full-scale debate on this question of the United States-Canada auto treaty.

I said I was surprised that the Minister of Industry (Mr. Drury) should have endorsed an agreement such as this. It is just another example of the cross purpose legislation we have seen presented in this House on earlier occasions. It is another example of the "come to me, go from me" philosophy of the Liberal Government. There have been many instances of this. We found the Minister of Agriculture paying out the taxpayers money to encourage the growing of tobacco while at the same time his colleague the Minister of National Health and Welfare spends hundreds of thousands of dollars in an endeavour to stop people smoking cigarettes. The Minister of Labour (Mr. MacEachen) endorsed an expensive advertising program, at a cost of \$3 million to the taxpayers, designed to create employment opportunities for people aged 45 and over. I believe it led to the employment of only some 2,000 people over a five-months period, despite a concentrated effort on the Minister's part. Yet when the Minister of Justice (Mr. Favreau) was asked whether he employed people aged 45 years and over in his department he said: "No, that is not our policy".

Now we come to the Minister of Finance (Mr. Gordon) and the Minister of Industry. Again we find they are at cross purposes. In the budget before last the Minister of Finance made it clear that Canadian taxpayers would not be given exemption from tax in the form of write-offs or depreciation in respect of cars costing \$5,000 and over. Yet the Minister of Industry now opens the door wide. He says: Come on in boys; you can bring these \$5,000 cars into Canada duty free. Did the Minister of Finance in his last budget remove this particular provision? No; he left it unchanged. I wish the Minister would ask one of his own supporters, the hon. Member for York North (Mr. Addison) what he thinks of the fact that it was not removed.

Again we find another contradiction. The Minister of Trade and Commerce (Mr. Sharp) is most anxious to increase the sale of our manufactured products abroad. We need exports. But what action does the Minister of Finance take? He places an 11 per cent sales tax on production machinery of any kind. It is one more example of Ministers working

[Mr. Hales.]

against each other. If the hon. gentleman does not believe this to be true, all he has to do is ask his colleague the Secretary of State for External Affairs (Mr. Martin) to show him some of the correspondence he has received from people in Windsor, where this 11 per cent sales tax is crippling the production of Canadian car parts. I will read one paragraph from a letter written by a Windsor firm. It says:

We told the negotiators for the agreement several months ago that it was not realistic to expect the majority of the Canadian parts suppliers to immediately compete with the U.S.A. high volume producers who have progressively built their equipment and tooling to the present high level over a period of many years.

Some of the Canadian automobile companies demanded U.S. prices, almost immediately when the agreement was signed—

It has not given our manufacturers a chance.

● (8:10 p.m.)

I go on:

This 11 per cent tax on dies, jigs, fixtures, machinery and repairs is ridiculous and makes it pretty difficult to sell in the U.S.A., and rightfully so.

Every Member of this House has received letters similar to that complaining about the 11 per cent sales tax on production machinery. Here we have the Minister of Industry (Mr. Drury) asking the Canadian car parts manufacturer to compete with his competitor in the United States, and yet slapping on an 11 per cent duty before he even starts to produce the goods. You just cannot follow their line of reasoning, Mr. Speaker. We have this "come to me, go from me, where are we"; and one just cannot follow this line of thinking.

This U.S.-Canada car treaty agreement is a free trade agreement. I ask myself, and I am sure every other hon. Member asks himself: Is this the Liberal pattern of free trade between Canada and the U.S.? Is the next step going to be free trade in furniture? Is it going to be free trade in appliances? Where is this going to lead? I assure you, Mr. Speaker, and the Members of this House that the old, Conservative philosophy from the time of Sir John A. Macdonald and all down through the years is that we believe you cannot sell your economic birthright and retain your political birthright. However it would appear to me that the Liberal philosophy is just the opposite to this. They are going to sell our economic birthright, and in so doing we will lose our political domination in this country. I would like to quote what Robert