

reason, the logic of which escapes me, he says the change in value of the Canadian dollar must have had some bearing in leading to the current result which is a 10 per cent difference in price. We had gone down to about 3½ per cent difference in 1970 and now at the factory list price we have about a 10 per cent difference!

The minister says that this must be due primarily to the change in the level of the Canadian dollar. I do not see that. If anything, it seems to me—I stand to be corrected—that the changing position of our dollar should have helped us because we buy more parts in the United States. Our auto assembly plants buy more parts in the United States than they buy here. That means, if our dollar has gone up in value, that the purchase of parts is relatively cheaper when buying from the United States. That should mean that the production costs of automobiles in Canada should have gone down, since the value of our dollar has gone up. Therefore, the improved position of the Canadian dollar should have meant a further and more significant drop in the price of automobiles.

I should like to put on the record some figures from a carefully documented article which appeared in the *Globe and Mail* on Wednesday, April 26, in regard to four medium-sized North American automobiles. For a Chevelle we paid \$275 more in Canada for the same car that was produced in Canada and sent to the United States; for a Ford Torino we paid \$300 more.

**Mr. Pepin:** How much of that is sales tax?

**Mr. Broadbent:** That is after all those differences are allowed, sales tax and other like things. We paid \$325 more for the Satellite, and for the Matador we paid \$325 more. The point is that in 1965 there was an economic reason for us to pay more for cars. We had inefficient assembly plants and we were producing perhaps 14 models in one plant instead of one or two. Now the Canadian assembly plants are the most efficient in North America, and therefore Canadians should be paying less for their automobile, at factory list prices, than the United States. This minister, as the man responsible for the auto pact, has a basic obligation to the consumer in Canada to do something about that.

I suggest that he should go to the corporations before the fall of next year and tell them to get their prices in line. He could make it very clear that he would take some kind of retaliatory action. For example, he might offer to reduce the federal sales tax by 6 per cent if the companies would pass that on to the consumer, plus reducing their price by a further 6 per cent. That would mean a total of 12 per cent. He might tell them that if they do not do this by fall, the government will take all the tariffs off imported automobiles.

The point is, Mr. Speaker, that there is no economic justification for the difference in prices now. The minister has done nothing to clarify this issue tonight. The disparity remains. I submit that if we had equality in price, the consumer in Canada would get justice, and Canadian workers would get justice, because Canadians would buy more Canadian-produced automobiles and fewer foreign ones. That would mean more jobs for Canadians. The minister has failed completely in this area.

### Proceedings on Adjournment Motion

**Mr. Blair:** Mr. Speaker, on a point of order. We have listened to the diatribe by the hon. member for Oshawa-Whitby (Mr. Broadbent)—

**Mr. Forrestall:** Sit down.

**Mr. Blair:** I would like to ask him to show us where and when the head office of the United Auto Workers of America have said things in favour of the Canadian interest in the auto pact?

**The Acting Speaker (Mr. Boulanger):** Order, please. This is a question, not a point of order.

### PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

#### NATIONAL DEFENCE—REASON FOR DROP IN RESERVE FORCES STRENGTH—STEPS TO REVERSE TREND

**Mr. J. M. Forrestall (Dartmouth-Halifax East):** Mr. Speaker, the question I refer to this evening arises out of one put to the Minister of National Defence (Mr. Benson). I asked specifically whether, in light of the alarming 22 per cent drop in Canada's armed forces reserves, the minister had taken steps to identify the cause of this decrease as well as steps to reverse the trend. We may learn if he has been able to identify the reason.

• (2200)

After Mr. Speaker intervened, the minister said that he had answered the question when he appeared before the Standing Committee on External Affairs and National Defence. He was referring to the committee meeting of Thursday, April 27. I asked the question because of the minister's response to a question asked by a colleague to my left, the hon. member for Selkirk (Mr. Rowland).

In view of the concern expressed by at least one member of the House with respect to the downgrading of the reserves in the Canadian armed forces, the minister's response before the committee was, to say the least, unintelligent. Not having fully grasped the meaning of the briefings which I am sure were given to him and which I am absolutely sure were accurate, the minister, obviously aware of his own intellectual capacity for understanding said as reported at page 12 of issue No. 11 of Minutes of Proceedings and Evidence of the Standing Committee on External Affairs and National Defence:

Actually if one takes the authorized ceilings as determined by my predecessor, Mr. Cadieux—

Actually, Mr. Cadieux is the predecessor once removed of the present minister. He is a most intelligent gentleman and if he were still minister of national defence he would show care and concern with respect to members of the Canadian armed forces. In any event, the reference by the minister before the committee was based upon estimates presented by Mr. Cadieux when he was minister of national defence. That hon. gentleman now is ambassador