

Canada-U.S. Automobile Agreement

Government party, and I wonder if the Minister could clarify whether Mr. Todgham was expressing the official views of the Liberal party, in this case the Government, because statements like these are a little disquieting when one reads them. Perhaps the Minister could tell us about that.

There is one other point. The other day I asked the Minister a question in the House concerning a not unrelated matter, the steel shortage in Canada at the present time. The Minister replied that he was aware of the situation but that it was probably due to stockpiling because of the anticipated strike in the United States. I have made some further inquiries in this regard and I have a letter here. I will not read the full letter at this time but it is from a very large manufacturer of secondary steel parts, some of them automobile parts. That is why it is pertinent to the discussion we are having at the moment. It is anticipated that the steel shortage will exist for several years and I am told that the manufacturers—I am referring to Stelco in particular—are at their wit's end in trying to distribute their steel evenly among their customers, the secondary manufacturers of steel products, including automobile parts. I am also told that this situation arose long before there was ever any stockpiling in anticipation of a strike in the United States.

It must be very difficult indeed for Canadian manufacturers of automobile parts even to attempt to compete if they cannot get the steel to do so in the first place, unless they import it subject to a fairly substantial tariff, as was pointed out by the hon. Member for Wellington South in another context. Again, it also seems very strange indeed that automobile parts manufactured in the United States should be brought into Canada duty free while at the same time another member of the Cabinet—again this is evidence of the Government working at cross purposes, as was pointed out by the hon. Member for Wellington South—raises the sales tax on production machinery with the result that the manufacturers are getting it both ways, so to speak. It makes it very difficult to understand how the agreement can be helpful to Canadian parts manufacturers.

Finally, there is another point I have brought to the Minister's attention on other occasions. I believe the Minister said that the purpose of the agreement is to expand manufacturing in Canada. I expect this is quite true so far as the assembly aspect of

[Mr. Nesbitt.]

automobile production is concerned, but the parts manufacturers themselves, except those which are subsidiary corporations of the Big Three in the industry, will indeed suffer. It is true that manufacturing will probably expand in Canada, but what kind of manufacturing? It will be the less lucrative, from a wage point of view, assembly line manufacturing, rather than the actual manufacturing of parts where higher priced labour is required. I would hope the Minister would give that matter a second thought before the agreement is discussed in the House.

There is another point that has also been brought to the Minister's attention before. It is well known that Canadian owned companies manufacturing automobile parts in Canada are not now even being permitted to tender on the requirements of Chrysler and Ford at least. I understand they are the principal offenders in this regard. I appreciate fully that the Minister, in an instance in my constituency, has used his good offices and everybody there is very appreciative of this, but nevertheless the principle remains that a number of Canadian manufacturers simply are not being given a chance to tender for these requirements. Nobody can in any way blame the big companies. After all, they have wholly owned subsidiaries in the United States and can now bring the same material in at the same price, duty free. Why would they give anybody a chance to tender?

● (9:50 p.m.)

Mr. Gray: May I ask the hon. gentleman a question?

Mr. Nesbitt: Yes.

Mr. Gray: Would he provide the House with the names of the companies to whom he is referring?

Mr. Nesbitt: Yes, one of the companies to which I was referring is the Ingersoll Machine Company, one of the largest Canadian manufacturers of automotive parts. They make gears for the Chrysler Corporation. I do not wish to go into the details, but I made reference to the fact that their contract has been extended for another year. After that, they have to move into something else. At the moment, they are trying to find new fields into which they can move. They realize that they will no longer have this type of work. Perhaps that answers the hon. Member's question.

Mr. Gray: Can the hon. Member clarify the point he is making? Are they not being allowed to submit tenders or are they not sub-