

Oral Questions

Chrysler, at long last. What specific assurances can he give the House and the Canadian UAW workers that no more jobs will be lost, either to those who are on lay-off or who have existing jobs?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, as the Hon. Member knows, I had a meeting with the UAW yesterday in which we discussed a number of possibilities to assist me in my negotiations with Chrysler. I would hope that the Hon. Member would be as positive about these negotiations as the UAW was yesterday.

Mr. Blackburn: One can hardly be optimistic if one looks at the Minister's track record so far. It has been a dismal failure.

AMOUNT OF DUTY REMISSION

Mr. Derek Blackburn (Brant): Madam Speaker, when one considers that both Chrysler and AMC, through the remission of duties, owe the Canadian Government and the taxpayers about \$300 million, can the Minister consider this to be hardball? What will he do to make sure that either the remissions are paid or Chrysler lives up to the original agreement?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, with respect to the preamble to the Hon. Member's question, we have obviously been doing something right. There are over 43,000 workers in Chrysler plants in the United States who are unemployed and only some 240 in Canada. Obviously the Government of Canada and Chrysler Canada have done something positive.

Some Hon. Members: Hear, hear!

Mr. Lumley: Second, with respect to duty remission and the Government of Canada fulfilling its obligations, this will be undertaken during negotiations with the Chrysler Corporation.

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RAILWAYS

CROWNEST PASS RATE—RELATIONSHIP OF FREIGHT RATES TO GRAIN PRICES

Mr. S. J. Korchinski (Mackenzie): Since the price of grain is at the 1972-73 level in terms of purchasing power, and since the Economic Outlook Conference did not predict any foreseeable increase in the next year or two, why has the Government totally rejected the proposal whereby any possible increase in freight rates would be geared to increases in the price of grain and instead took the other course, which was simply slapping on an increase regardless of an increase in grain?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I did not hear the question.

Mr. Korchinski: Madam Speaker, I will repeat the question. Since the Economic Outlook Conference did not predict any foreseeable increase in the price of grain and since the purchasing power is at the 1972-73 level, why has the Government totally ignored the proposal whereby the increase of any freight rate would be related to the price of grain?

Mr. Johnston: Madam Speaker, I will infer that that question is addressed to me. I did not hear anyone say that it was addressed to me. I will assume so since I am taking questions on the subject.

As I pointed out earlier, the present wheat freight rates per tonne represent on average less than 5 per cent of the price of a tonne of wheat and, of course, that is not the case with respect to all other commodities. That is not a fair freight rate under the circumstances. The regime which has been implemented and phased in, which maintains the Crow benefit payment to farmers in a phased-in fashion, seems to me to take into account the fact of the current economic situation with respect to grain production. Therefore, over the period, one would expect to see an increase in the value of those crops, quite substantially beyond even the \$2 billion which would be a result of a ten million tonne increase at current price levels.

Even then, at current prices, as I pointed out in an earlier answer, the freight cost would only represent 14 per cent of the value of the wheat sold. So, it strikes me as very fair indeed to the producer.

APPLICATION OF FINANCIAL RESTRAINT PROGRAM—
GOVERNMENT POSITION

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, may I ask the Minister why the Government totally ignored its own six and five program and, instead of sticking to a six and five increase, it slapped on a 100 per cent increase in the next ten years?

Some Hon. Members: Hear, hear!

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I think the exchange that has taken place here today illustrates full well the importance of the initiative that has been taken. The facts that have been brought out on the floor of the House by myself and the Prime Minister on this side clearly demonstrate, I believe, that we should be able to look forward to the support of all Parties in terms of moving this very important initiative through the House—

Mr. Blenkarn: Answer the question.

Mr. Johnston:—and particularly out of committee in a timely manner. I look forward to see the Hon. Member participate in those deliberations.