

*The Address—Mr. Blackburn*

recommendation of this task force is that all vehicle manufacturers selling in Canada should make binding commitments, phased in over a reasonable period of time, comparable to the commitments now being made by vehicle manufacturers currently operating in Canada under the auto pact, that is, vehicle production to sales ratios and 60 per cent Canadian value-added.

After this commitment has been achieved by all vehicle manufacturers, the Canadian Government can negotiate with all the companies to increase the level of minimum commitments from 60 per cent to the Canadian economy. The task force admitted that the report did not break any new ground. It was just that they were all agreed that if Canada provides duty-free entry of vehicles and components into the country, offshore manufacturers must be sensitive and contribute to the needs of Canada's economy. This is just following the lead of other countries such as Australia, about which I will speak in a few moments, that are determined to develop and maintain modern and efficient automotive industries.

The end result is that the task force has estimated that if its recommendations are implemented, they will result in 40,000 jobs in the automotive industry and an additional 40,000 jobs in related industries such as the steel industry. The spin-off effects of the implementation of these recommendations could result in as many as another 50,000 jobs in totally unrelated industries such as food, retail sales, etc.

The auto task force on Japanese imports was an extremely important one. It focused on the major problem, that indeed the Japanese have flourished for the last 25 years because they have practised one of the most oppressively restricted and protected manufacturing markets in the world. It is virtually impossible for Canada, the United States or western Europe to sell manufactured goods in Japan. I am not saying that that is what we should adopt in this country, but when Japanese automobile makers and parts manufacturers accuse us of being protectionists, all we are saying is that they can sell all the cars and trucks they want in Canada, provided they make their parts here, source their parts here or assemble their cars in this country; in other words, provided they invest in plant, machinery and jobs at least up to their sales in Canada. That is what we expect from the auto pact which is already in place. It is totally unfair to continue to allow the Japanese to dump their cars and trucks in Canada when they do not invest here. In 1982 the total Japanese automobile investment in the country was less than \$2 million. That is absolutely deplorable. Yet we have Minister after Minister going cap in hand to Tokyo and Japan and returning with nothing but hollow promises. This has to change and change pretty fast.

It is often brought to light that we have a favourable balance of trade with Japan. That is very true. As a matter of fact, I have figures which will show that we have a very favourable balance of trade with Japan. Last year up to June 1983 we had a surplus of \$308 million. It was down considerably from 1980 when it was \$1,367 million.

Let us look at Australia. It has very tough quotas *vis-à-vis* Japanese automobile and truck imports, plus a value-added

source regulation which forces the Japanese to purchase many of their parts in Australia. In 1976, Australians had a surplus trade with the Japanese in the amount of \$2.1 billion U.S. Coming down to 1983, every year they had a favourable balance of trade, even up to July 1983, with a surplus of \$900 million U.S. That is three times our surplus, yet the Japanese import a tremendous amount of raw materials from Australia. In fact, Australia exports more raw materials to Japan than to any other country, everything from coal to cereal foods and base metals.

What are we afraid of? The Australians have become tough with the Japanese and have come to terms favourable to the Australian automotive industry. Even Austria has forced the Japanese in the last few weeks to come to terms, to invest in Austria and to source parts there. Here is an interesting example: in 1982, Iran had a surplus trade with Japan in the amount of \$1.3 billion U.S., yet it forced the Japanese to begin sourcing parts and to assemble their cars and trucks in Iran. In 1982, Mexico had a trade surplus with Japan of \$565 million, \$200 million better than our trade surplus. Mexico has forced the Japanese to manufacture parts in that country. What are we doing? Nothing.

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This is becoming an incredible situation. Day in and day out I ask questions of the two Ministers who share joint responsibility for this problem. All I get are very weak or non-answers. I know they are concerned about it, or they would not be going to Japan or inviting the Japanese here to enter into discussions, but they are not accomplishing anything. I do not know what they are waiting for. It certainly cannot be an election. If so, they would have made these announcements long ago.

Let us look at other countries in western Europe. The average importation of actual units of Japanese cars into the United Kingdom, France, Italy, West Germany, Spain or Portugal averages between 5 per cent and 11 per cent of their market. Keep in mind that the Japanese already have 27 per cent of our market and the fact that Canada is the seventh largest automobile and truck market in the whole world. We are giving our market away to the Japanese without making them invest in this country to provide jobs, and capital and to pay taxes.

Let us look at the United States, which is very close to home both in terms of economics and geography. The United States has had a substantial trade deficit with Japan since 1975 or 1976. In 1979, the deficit was \$8.7 billion. By 1983, the trade deficit between the United States and Japan had risen to \$19 billion. That was the projection for 1983. Some of the initiatives that have taken place in the United States with respect to the building of Japanese plants are as a result of a progressive program by some individual states involved in attracting foreign investment. The State of Tennessee is one example. I would like to know what is being done by Ontario, Quebec or British Columbia. Nothing. They talk about supporting this task force. Premier Davis said he supports the recommendations. What is he doing to attract Japanese manufacturing