

*Supply—Labour*

Minister as to why the Government could not accept that proposal.

Fifth, they asked for Federal Government initiative to obtain management co-operation in having advance notice of major changes in the levels of employment in the auto and auto parts industry, in order to minimize the effects of dislocation. Again, what is unreasonable about that? Why should they be told on a week end that 500 men are going to be laid off?

Finally, they asked for supplementary pension benefits payable to older displaced workers who may be retired early. Again, that is a reasonable proposal which, if it had been accepted, would have assured the co-operation of the trade union movement.

As I have said, many of these proposals have been accepted in other parts of the world and in other jurisdictions. Had they been accepted here, this scheme could be launched with the support of the trade union movement instead of in the face of what appears at the moment to be its bitter opposition.

Our second objection, aside from the inadequacy of the allowances, is the veto power that is given to the companies. Today on orders of the day we asked the Minister whether or not the companies would be required to make contributions to the TAB fund and the Minister quite candidly, as is the case, admitted that there was no requirement for other than voluntary payments on behalf of the companies. It is not good enough for the Minister,—and we are not going to pass this item until we get an answer—to get up and tell us that he does not anticipate having such a problem placed before him. We all know that the Minister never anticipated having to bring in this program, because when we first began to ask questions months ago we were told there would be lots of employment, no dislocation and that no one had to worry. It was not until the United States union representatives appeared before a Congressional Committee and urged it to put pressure on Canada to bring in an adjustment assistance scheme, that any action was really obtained, and I have the transcript of the statements that were made at that time.

It is not enough for the Minister to get up and tell us that he does not think there is any problem and that the companies will pay. We want to know what is going to happen, what your plans, proposal and programs are going to be in the event that the motor companies decline to make these payments. As the hon. Member for Ontario has said, they

[Mr. Scott.]

are pretty tough cookies. It is very hard to get even the SUB plans put into agreements. I do not think they are necessarily going to run down here with \$700,000 or \$800,000 and hand it over to the federal treasury. We want to know what will happen in the event this takes place.

Finally, we should like to obtain some information from the Government as to why nothing has been done to ensure that the price cuts or savings to the companies are passed on to the consumer in the form of some kind of lower prices. I know the companies have stated that they intend to use this money for expansion, but all the indications we can see in the press from statements that have been made that there is going to be no price reduction, and no benefit to be passed on to the consumer at least for the foreseeable future. I could quote, although we do not want to hold this item up, many of the articles that have appeared in such papers as the *Financial Post*, the *Globe and Mail*, the *Windsor Star*, *Time* and other periodicals which all indicate there is going to be no price cut passed on to the consumer.

This is a completely indefensible position, because of the very substantial profits that are amassed by these Canadian companies. According to one estimate, the annual average profit of the automobile manufacturers has often run to about 30 per cent of their net worth; that is the total amount of their investment capital, compared with the normal 10 to 15 per cent. One Federal official has estimated that in a good year the profit earned by one of the leading Canadian auto producers might run as high as 80 to 90 per cent of its investment capital.

These companies have money coming out their ears, and do not require the \$50 million bonanza in order to finance their expansions. They have lots of money, and there is no reason in the world why some action cannot be taken toward lowering the price of cars. We have made a rough estimate and feel that it would be possible to have an immediate price cut of about 4 per cent in the wholesale price, and that this could be followed by other cuts at a later date.

● (4:40 p.m.)

This would eventually result in a 17 per cent reduction in the price of cars to Canadians. If the companies refuse to pass this on, the Government has the simple expedient of lowering the tariff payable by individuals who buy cars in the United States; and this, of course, would immediately force the companies into price reductions.