

tion of non-tariff barriers of the very kind that the minister acknowledged in his response to me. For years, the Japanese have skilfully managed to preclude entry into their markets of the products of foreign nations which have been manufactured while at the same time flooding other countries with their own finished products. Their chief tactics have been prolonged negotiations and substantial delay in the removal of the non-tariff barriers.

In the interval, their manufactured trade surpluses have soared, while ours have declined. As a specific illustration, in 1980, the importation of Japanese vehicles to Canada increased 151 per cent over the level established in 1979. Knowing these facts, the minister responded to my question with respect to quotas, as reported at page 7020 of *Hansard*, as follows:

With respect to the matter of quotas, if the U.S. Congress legislates quotas, in my view it will be necessary for the Canadian authorities to consider taking parallel action within our own legal framework and in light of our own circumstances. That is why I said we are watching the Canadian situation and the American situation very closely. Because we have an integrated industry on a North American basis, I think we must be very careful about the timing and extent of our actions.

At the present time I think our priorities, in the interests of Canadian workers, should be to strive to increase the level of Canadian content in Japanese vehicles sold in North America and around the world and, in the meantime, to keep in touch with the situation so that we are ready to take other action in the interests of Canadian workers and the Canadian economy should circumstances make that necessary.

I was troubled by that response, Mr. Speaker. What the minister is suggesting, in essence, is that the automobile industry in North America, between Canada and the United States, is integrated as a consequence of the Auto Pact. We may, because of that integration, consider following a policy established by the United States, but we must do so being careful to watch our timing and the extent of our actions. The one thing the minister has not suggested is that we do anything on our own.

Last weekend, the Secretary of Commerce in the United States commented that the United States administration intended to impose quotas on Japanese manufactured automobiles. The minister, who was in the House a moment ago, appeared on television that same evening and indicated that Canada would undoubtedly follow suit.

Why is it that if Canada and the U.S. are linked in an integrated automobile industry, the U.S. can take that initial necessary step but our country cannot? Why could Canada not have taken the lead for once in remedying a known ill? The answer lies in the administrations of both countries. In the U.S. we now have a government determined to force the hand of the Japanese by taking those aggressive steps necessary to convince them that now is the time for business. In Canada, on the other hand, we have a government which will wait, hope and pray that something is done to save the Canadian automobile industry and the employees who work for that industry.

● (2215)

I submit that the minister should spend less time, and I quote his words, "watching closely, keeping in touch and

monitoring situations" and spend more time taking strong action and taking that action to determine that the present ill is remedied.

Unfortunately, under his tutelage, Industry, Trade and Commerce has become the department of indolence, timidity and cowardice, and I do not think that serves the people of Canada well.

**Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce):** Mr. Speaker, in reply to the hon. member for York North (Mr. Gamble), I want to say that, to my mind, leadership means to achieve the achievable. It does not mean to dream about something that you cannot realize. Maybe you can base your life and day to day decisions on the ultimate solution and possibilities, but you do not always reach them.

As far as the automobile industry and its difficulties in our country are concerned, the Canadian government has been vigorously pursuing its interest in greater sourcing by Japanese companies of Canadian auto parts as well as in mutually beneficial investment in Canada, with the aim of achieving a significant Canadian content in Japanese cars sold in North America and in world markets. Anyone would hope that all of the Japanese cars sold in Canada would be made in Canada. One of these days we might reach that end, but let us do it one step at a time. To this end, the Minister of Industry, Trade and Commerce (Mr. Gray) visited Tokyo last year for high-level meetings with the Japanese government and the private sector automotive interests.

His visit has been followed up by exchanges of government and private sector missions between the two countries and a number of specific interests and opportunities have been identified and are being pursued, particularly in the auto parts area. Honda's purchasing activity in Canada has increased significantly. While the Canadian government would prefer to see current automotive trading problems resolved through a positive and faster approach, we are watching very closely developments related to the level of vehicle imports into Canada and the import-restrictive pressures which are building in other markets, including the United States and Europe. We have been keeping in close touch with the U.S. administration on further developments in this area—as the hon. member mentioned, but he does not seem to appreciate that—including recent Congressional initiatives, and we believe, particularly in the event of any U.S. action, that, Canadian authorities would need to consider parallel moves within our own legal framework and in the light of our own circumstances.

In the interim, we have formally expressed our concerns to the Japanese authorities regarding the question of vehicle imports and, as a result, the Japanese ministry of international trade and industry has requested that Japanese auto manufacturers exercise caution in exports to Canada.