

**Some hon. Members:** Order.

**Mr. Speaker:** Order, please. I understood the hon. member was asking a supplementary to his leader's question. We will get to that later.

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### TRADE

#### CANADA-UNITED STATES AUTO PACT—ACTION TO ENSURE CANADA RECEIVES FAIR SHARE OF GROWTH IN INDUSTRY

**Mr. Edward Broadbent (Oshawa-Whitby):** Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Clause 1 of the Canada-United States automotive agreement asserts that both countries must share equitably in future growth of the industry. The minister in a recent statement at long last indicated that Canada has not been getting its fair share of new jobs in this industry in light of the fact that the Canadian market has grown more rapidly than that of the United States. What precisely is the minister or the government, through some other department, doing to ensure that we get our fair share of growth in this industry?

[Translation]

**Hon. Jean Chrétien (Minister of Industry, Trade and Commerce):** Mr. Speaker, I think this problem is extremely complex. The hon. member has used our normal employment ratio. However, I would like to remind him that while the North American automobile market represents 9 per cent in Canada, we have in this field 11 per cent of the jobs. The problem is the balance of payments level where we had a deficit of about \$1.1 billion last year. I believe we have greatly improved the situation, but negotiations will be needed in some areas to come to agreement on adjustment matters. But I must say that, generally speaking, the automobile pact has been extremely favourable for Canada.

[English]

#### ALLEGATION CANADA NOT RECEIVING FAIR SHARE OF AUTOMOTIVE PARTS INDUSTRY—GOVERNMENT ACTION

**Mr. Edward Broadbent (Oshawa-Whitby):** Mr. Speaker, the minister should know, as his two predecessors indeed knew, that in terms of our share of jobs in the crucially important automotive parts sector, we have not been doing very well. As the minister knows, Canada currently consumes some 12 per cent of the automotive parts but only has 6 per cent of the jobs with a net loss of employment to Canadians in this high technology, highly paid sector, of some 20,000 jobs according to the president of the Canadian Automotive Parts Association. Is the minister concerned that the very guts of the automotive industry is being transferred from Canada to the United States? If so, what specifically does he plan to do about it?

**Hon. Jean Chrétien (Minister of Industry, Trade and Commerce):** Mr. Speaker, the hon. member is very good at choosing only certain parts. He is now talking about the parts

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sector. I am aware of that. However, he did not refer to the fact that we have been doing very well on the assembly line and have a huge surplus with the United States on that. When we signed the agreement in 1964 or 1965, we were only producing 3 per cent of the North American production. We now produce 7.5 per cent. Therefore, the agreement has been very good. In terms of net jobs, we have 11 per cent of the jobs. Some adjustment has to be made, but up until now the auto pact has been extremely useful for the Canadian economy.

● (1420)

**Mr. Broadbent:** As a preface to my final question I wish to remind the minister that his two predecessors sat idly by during the past six years while our parts industry was transferred to the United States. That process is still continuing. If it continues for a few more years and the U. S. pulls out, we will have nothing to maintain the industry in this country. Therefore, I would like to ask the minister whether the government has any specific proposals to make to ensure that the essence of the whole industry, which is the parts industry, the skilled trade sector, will remain in Canada.

[Translation]

**Mr. Chrétien:** I am aware of the problems, Mr. Speaker, and I raised this issue with the American officials I met when I went to Washington a few weeks ago. We had our officials prepare a report on the over-all situation, following the conversations between President Ford and the Prime Minister (Mr. Trudeau), a report which I hope to table shortly. There are problems today, and there will be problems tomorrow. What I mean to say is that our position is quite favourable with respect to assembly lines, but unfavourable when it comes to auto parts. All in all, however, I feel that we have made considerable progress. I am keeping a very close eye on the situation. I hope it will improve in the future, but I resent the hon. member's suggestion that no progress has been made and that we shall have to return to the pre-auto-pact era.

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### REGIONAL ECONOMIC EXPANSION

#### POSSIBILITY OF INQUIRY INTO DEPARTURE OF HEAD OFFICES FROM QUEBEC

**Mr. René Matte (Champlain):** Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion.

Considering the alarming statements by the minister concerning the supposed exodus of company head offices from Quebec to other provinces and since he has refused to comment publicly on those statements, could he tell the House whether his department has undertaken any serious inquiry on that matter and can he report to the House to what extent company head offices are now leaving Quebec for other provinces?

**Hon. Marcel Lessard (Minister of Regional Economic Expansion):** Mr. Speaker, the department is not making any