

• (4:20 p.m.)

Under pressure from farmers of Canada, which I think was justifiable, we moved rapidly toward free trade of agricultural implements. By and large agricultural equipment now comes in free of tariff. The argument was that free trade would lower prices to the farmer, provide competition and that we would benefit industrially. We would have more work for the people in Canada as a result of removing the tariff. In fact, none of these things has happened. The price of farm machinery is atrocious in Canada and it is artificially maintained. The Barber report showed documented evidence of the high price of farm machinery in Canada in spite of free trade. As far as employment is concerned, one need only look at the Massey-Ferguson investment pattern. It left its labour intensive manufacturing here in Canada but all its technological developments took place in the United States. Its tractor factories are in the United States, not in Canada. When Canadian workers said to Massey-Ferguson a couple of years ago—

Mr. Horner: Where are the parts made?

An hon. Member: And the combines?

Mr. Saltsman: I will return to combines in a minute. I know a lot of my friends to the right are bristling for knowledge. If they will simply contain themselves for a few minutes, I will see if I can assist them.

A few years ago Massey-Ferguson was involved in a strike with its workers. In anticipation of the UAW taking strike action they hired Hedlen-Menzies, a very well known firm in Canada, to do a study, the purpose of which was to persuade the workers of Massey-Ferguson that if the company had to pay wages in Canada comparable to those in the United States it would not be worth while to operate in Canada. The union was not asking for higher wages than those paid in the United States. It was not asking that the workers do less work than those in the United States. The union simply said that if the men worked as hard and as well, they should be entitled to the same wages as their counterparts across the border. After all, there is this free trade without tariff and the goods are coming in competitively. The union felt the workers were entitled to wage parity.

The argument was that the workers were not entitled to parity because the company maintained its plants in Canada that were labour intensive, and that if the company had to pay Canadian workers the same wages being paid in the United States it might as well move the whole operation to the United States. This is a Canadian company, not a United States company. This is not a foreign company putting Canadians under muscle, but a Canadian company which got its start here. Its greatness originated from the market in Canada, but in fact it was saying that Canadian workers should be permanently condemned to lower standards of living than their United States counterparts across the border. This was not because Canadian workers were not as productive. This is what the study indicated, though the report tried to say this nicely. There is no way you can say this kind of thing nicely. Is this what we want in Canada?

An hon. Member: You are not accurate.

Income Tax Act

Mr. Saltsman: You better read the Hedlen-Menzies report which outlined the reasons the company could not pay the same wages in Canada. The experience so far as productivity is concerned in this country has been that if you give the Canadian worker the same kind of machines and opportunities he will produce as effectively as his United States counterpart, and sometimes even more effectively. There can be no argument that because the workers are not as productive as others they should not receive the same wages. The point is that even if parity had been granted at that time it would not have been true parity because the Canadian dollar was around 92.5 or 93 cents, so this would have meant the workers would still be receiving 7 per cent less in real income than their friends across the border.

This is the corporation about which some of us in this House are bleeding. They are afraid they will leave Canada. If that is the way they behave, then we are better off without them and should find a Canadian company which will operate in Canada's interests and be concerned about the workers of this country.

Mr. Horner: Suggest one that will take its place.

Mr. Saltsman: Let us be very clear that the company is not a charitable organization. It is set up to do business in Canada because there is a market here; Canadian farmers buy machinery for use in this country. If Massey-Ferguson does not want to make this machinery, then somebody else will.

Mr. Horner: Name one other manufacturer in Canada who will.

Mr. Saltsman: If other companies will not do it, the government can do it.

Mr. Horner: The government, that is what you want. You want government ownership. Now, we are hearing the truth.

Some hon. Members: Oh, oh!

The Chairman: Order, please.

Mr. Horner: Talk to Tommy, he will tell you the trouble.

Mr. Nowlan: Would the hon. member permit a question?

The Chairman: Order, please. The hon. member for Annapolis-Valley knows that he may ask a question only with the permission of the hon. member who has the floor.

Mr. Nowlan: This has been a very interesting dissertation, but does the hon. member for Brant believe everything the hon. member for Waterloo is saying? I am wondering whether he would like to see Massey-Ferguson move out of Brantford?

An hon. Member: He is listening to the financial spokesman of that party, but he has not said no.

Mr. Saltsman: I see that the hon. member is treating the remarks of the hon. member for Annapolis-Valley with the kind of contempt that such misinterpretations of my remarks deserve.

Mr. Horner: There is no misinterpretation.