

*Adjournment Debate*

review. The freight rate was established by the Canadian Transport Commission, but it has never been totally accepted. Until such time as the whole question of the statutory freight rate would be resolved—and back in 1976, Mr. Otto Lang, the former minister, felt it would be resolved in due course—an interim freight subsidy was established to help processors defray the gap, so that there would be some semblance of parity between the two freight rates. It was established at \$3 million. As one can appreciate, the amount of product moved has increased and the prescribed freight rates have increased.

● (2205)

As a matter of fact, on February 11, the existing minimum compensatory freight rate was increased by 10 per cent to 15 per cent. We are really looking at two issues. First, we are looking for assurance from the government that the interim freight subsidy will be renewed after its expiration on March 31 and, second, on behalf of the rapeseed industry, we are asking that consideration be given to increasing the level of that subsidy to cover more closely a sizeable portion of that gap.

I hope the parliamentary secretary who will be responding tonight will give the rapeseed crushing industry some assurance that that will be continued because I am sure he well appreciates that forward sales and markets are now being made, and the increase of 10 per cent to 15 per cent in the minimum compensatory rate has now already reduced the margin by \$2.50 to \$3 per tonne. So I hope the parliamentary secretary will give us a positive response because I can assure hon. members that it will be welcomed by the crushing industry and by producers of this very valuable product for western Canada and for all of Canada.

[Translation]

**Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce):** Mr. Speaker, I am pleased to reply to the hon. member for Vegreville (Mr. Mazankowski), the former minister of transport for whom I have the highest esteem. Although he may regret that the Minister of Transport (Mr. Pepin) has referred his question to the Minister of Industry, Trade and Commerce (Mr. Gray), whose parliamentary secretary I am, it is with pleasure that I shall try to answer his question although I know in advance that I may very well be unable to meet his expectations since the hon. member wants to know definitely whether his requests or his recommendations will be accepted. Mr. Speaker, in my answer I will explain the program and at the same time try to convince the hon. member that his hopes may soon be fulfilled.

[English]

The freight assistance program was initiated by the federal government in December, 1976. As the hon. member said, it was meant to compensate the western processors by giving them an adjustment for higher freight rates for rapeseed oil and meal.

The hon. member seems to be interested in the prolongation of this program, and I agree with him. He referred to the need

of the processors, but he forgot—and it would have been a good occasion at this time of night—to give detailed information to this assembly on the benefit this program has brought about. Since its inception, the program has given extensive assistance to processors. As much as \$12.9 million has been given to the seven processing plants in western Canada. The program has been useful in contributing to the financial viability of the processors.

Since the 1970s—and, in fact, since the beginning of that decade—as hon. members will be aware, the rapeseed processing industry has demonstrated significant growth. Crushing capacity has expanded by more than 25 per cent over the past five years. This has been in line with rapeseed oil production in Canada, which has increased to a level where it now meets 50 per cent of the total domestic market requirement.

The hon. member spoke of exports. Our export performance has also been very impressive over the past five years. Rapeseed oil exports have increased from 20,000 tonnes to 120,000 tonnes. Our export performance for rapeseed meal—

**Mr. Mazankowski:** Answer the question.

**Mr. Laniel:** —over the past five years has been more spectacular and has increased from 21,000 tonnes to 162,000 tonnes.

**Mr. Deputy Speaker:** Order. I regret to interrupt the parliamentary secretary, but the time allotted to him has expired.

**Mr. Laniel:** The answer will come, Mr. Speaker, by the end of the month.

● (2210)

TRADE—IMPORTATION OF JAPANESE AUTOMOBILES—INQUIRY RESPECTING QUOTAS

**Mr. John Gamble (York North):** On February 9, I asked the Minister of Industry Trade and Commerce (Mr. Gray) whether, in light of his failure to secure concessions from Japanese automobile manufacturers to fabricate their vehicles in Canada and in light of Japan's establishment and maintenance of non-tariff barriers, it might not be prudent for this government to impose quotas on the importation into Canada of Japanese automobiles.

I expressed major concern at that time for the Canadian autoworkers who have been and will continue to be laid off if Japanese automobiles manufactured in Japan continue to flood the Canadian market. I drew the attention of the minister to actions that had been taken by the government of France and pending United States legislation which would enforce such quotas. The minister's response to me was to the effect that the Japanese automobile industry was privately-owned and was not government controlled. I recognize that fact, else how could it have been so successful?

What the minister did not say, although I am convinced he was so informed, is that there exists in Japan a close liaison between government and industry. The government of Japan is intent upon protecting its industrial base through the imposi-