

Adjournment Debate

As for Amman and Damascus, I agree that it would be most desirable to have an embassy in one or even both those very important capitals. We do not have the necessary resources to do so now or in the near future. It was possible to do it in Kuwait following the closing of our mission in Johannesburg. As we do not anticipate the closing of other missions, we must be satisfied with multiple accreditations from Beyrouth which is fortunately well located to deal with those two important cities of Amman and Damascus. I regret to disappoint my hon. colleague.

[English]

INDUSTRY—CANADA-U.S. AUTO PACT—EQUITABLE SHARING OF BENEFITS

Mr. Derek Blackburn (Brant): Mr. Speaker, two weeks ago I directed a question to the Minister of Industry, Trade and Commerce (Mr. Horner) concerning the government's plan to subsidize the construction of two new auto parts plants by General Motors and Ford Motor Company of Canada to the tune of \$116 million. I asked how the government could contemplate subsidizing these two multinational conglomerates when, according to the spirit of the 1965 Auto Pact between Canada and the United States, these firms are already committed to investing in Canada.

The minister was evasive. He quoted from the Auto Pact and he also replied that we had a surplus of \$2 billion in automobile manufacturing in Canada last year. What the minister forgot to mention is that Canada had an auto parts deficit of more than \$3 billion last year, which completely erases our surplus in assembled vehicles shipped to the United States and leave us with a deficit of over \$1 billion.

The fact is, Mr. Speaker, that Canada is not getting its fair share of the automotive trade. The Auto Pact has become a joke. Canada has had a deficit in ten out of the 13 years since the Auto Pact was signed, a deficit that has totalled more than \$7.5 billion. The deficit in our auto parts trade is even worse. Since 1965 we have had a deficit on parts trade with the U.S. of just under \$19 billion. At the present time there is a shortfall of about 25,000 jobs between what we should have as a fair share of the total employment in the auto industry and what we actually have.

The auto industry is now planning for its biggest re-tooling since the 1920's. Ford and GM have announced they will be spending at least \$20 billion each between now and 1985 to re-tool for new emission and fuel economy standards. Within the spirit of the Auto Pact, this commits each of them to a level of investment in Canada in the range of \$275 million each and every year for the foreseeable future.

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Canada cannot hope to get a large share of the investment in the auto industry that is going to be made over the next few years, and the jobs that go with that investment, unless the federal government exerts pressure on the auto manufacturers to spend more of their investment budget in Canada. The major auto manufacturers have been remarkably reluctant to

spend a fair share of new investment in plant and equipment in Canada. Just looking at the past few years, our share of the new car market has been between 9 per cent and 10 per cent. Our share of new investment funds has been down around 5 per cent.

Pressure must be put on the auto industry right now to make sure the auto manufacturers live up to their investment commitments in Canada. I would like to know what the Minister of Industry, Trade and Commerce is doing to ensure this, besides offering \$116 million of the taxpayers' money to Ford and GM to invest in Canada when they are bound by the Auto Pact to invest anyway.

The government must immediately begin negotiations with the auto industry regarding the Auto Pact. We must have guarantees that the number of jobs, the amount of new investment, and the research and development expenditures will be commensurate with Canada's share of the auto market.

The government has so far failed to offer a credible response to our growing auto trade deficit. Most of the planning for the conversions to smaller, more energy efficient cars is being made now. I would like to impress upon the government that we are running out of time. Decisions will be taken in the next two years that will affect the auto industry for the rest of the century.

In Ontario, one in seven jobs is directly or indirectly related to the auto industry. These jobs must be protected. The former minister of industry, trade and commerce has admitted that our current auto trade deficit is "too big to swallow". I would agree with that. The only question that remains is, when will the government insist that the auto makers do something about it, and why has it not begun to insist already?

What we are looking for as far as the Auto Pact is concerned is a fair deal. We do not say we should have more than the American workers. The Canadian workers are agreed upon this. As far as the Auto Pact is concerned, auto workers in Canadian subsidiaries of American auto corporations, particularly in the parts manufacturing industry, are well aware of the fact we have been sold down the river since 1965. We have a tremendous deficit vis-à-vis the United States. It is time that jobs were created in the automotive industry in this country and that there is parity between the cost of cars made in this country and cars made in the United States. I see no reason why any model of car should cost \$100, \$200 or \$300 more in Canada than in the United States if that car was made in Canada. I do not understand why consumers in Detroit can purchase an automobile manufactured in St. Thomas, Ontario, for \$100, \$200 or \$300 less than someone in Canada.

The minister is not here this evening. I do not expect him to be here at this late hour. Not even his parliamentary secretary is here. It is a damned shame there is no one from his department here tonight for the last three minutes of this period to rebut what I have been debating. There is no one from the cabinet here to answer the question I have put forward regarding bringing the Auto Pact up to date, so that we have more investment and jobs in this country, jobs that will create more money, and so that Canadians can buy more