

profits but also the prices, including prices for money. Most of that, I repeat, except in the latter example, is in the area of provincial jurisdiction. The provinces do not want to delegate that authority to us. We do not have it under the Constitution. We cannot control wages, prices and profits in the private sector. I wish the hon. member and his party would get that into their heads, and then perhaps put pressure on the provincial governments where they have some influence, so that there would be co-operation to keep prices down. They can do that in co-operation with each other.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF HERR LOTHOR SPAETH, PREMIER OF BADEN-WÜRTTEMBERG

Madam Speaker: I should like to draw the attention of the House to the presence in our gallery today of Herr Lothor Spaeth, Premier of Baden-Württemberg in the Federal Republic of Germany.

Some hon. Members: Hear, hear!

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AUTOMOTIVE INDUSTRY

CANADIAN CONTENT IN JAPANESE MANUFACTURED CARS

Mr. Otto Jelinek (Halton): Madam Speaker, two days ago the Canadian automotive industry held an emergency meeting in Toronto at which the keynote speaker was to have been the Hon. Herb Gray but he backed out just hours before the meeting. I suggest to the minister that he hang his head in shame.

In view of the fact that one out of seven jobs in Canada, not just Ontario but in Canada, is associated with the automotive industry, and because the meeting in Toronto concluded, as stated by the president of the Automotive Parts Manufacturers' Association of Canada, that the present arrangement of Japanese voluntary restraints or any similar new one that Ottawa may negotiate will not create a single job in Canada, will the minister now take the one crucial and necessary step that may save the auto industry and the thousands of job associated with it in this country? Will he negotiate, demand, or, if need be, legislate a fair Canadian parts content in Japanese cars sold in Canada?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, first of all I want to say that my hon. friend is quite inaccurate when he says that I backed out of giving a speech at the auto parts meeting. I had to take part in a very important cabinet committee meeting. The speech I would have given was delivered on my behalf by my very capable parliamentary secretary. He put before the meeting exactly

the same message that I would have presented had I been there.

I think my hon. friend is unjustly denigrating and running down the capacities of Canadian workers and Canadian automotive and auto parts manufacturers. He is suggesting that there is nothing they can do, beyond narrow protectionist measures, to become more competitive and efficient and to win back the support of Canadian and North American consumers.

I happen to have more confidence in the ability of Canadian workers and Canadian manufacturers than he does. At the same time, we have already begun discussing with the Japanese what they should be doing with respect to a further period of restraint of exports. The kinds of concerns that I have mentioned, and that he has just now begun to echo, have been brought very forcefully to the attention of the Japanese.

REQUEST THAT MINISTER ACT TO INCREASE CANADIAN CONTENT

Mr. Otto Jelinek (Halton): Madam Speaker, may I say that the minister is not giving the Canadian worker the opportunity to have their fair share of the marketplace because of the inability or inaction of this government regarding the auto parts sector. There are 600,000 jobs still left in the auto industry in Canada. The auto industry concluded at its meeting two days ago that the only way to save these jobs is to increase the number of parts in Japanese imports.

I repeat my question. Why does the minister not take the necessary action, by legislation if need be, to require the Japanese to increase substantially from the present one half of 1 per cent the Canadian content in Japanese cars sold in this country, perhaps in return for lower tariffs which then would create jobs in Canada and not increase the price of Japanese cars sold here? Why is the minister not doing this? Can he explain that?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, my hon. friend is in his usual dream world. He completely overlooks the grave weakness in the major market for Canadian made vehicles and parts, the weakness in the United States market which takes some 80 per cent of our production. That is a major factor which affects the wellbeing of our workers and companies, over which we obviously, and unfortunately, cannot have any control.

At the same time I repeat what I have said before, and that is that, as far as I am concerned, I should like to think that the agreement we negotiated with the Volkswagen company, whereby in return for duty-free entry they committed themselves to Canadian content of some 85 per cent, a Canadian content much higher than is required from automotive assemblers here and which involves substantial purchases from independent Canadian companies, and which will result in the creation of some 1,500 jobs, will serve as a harbinger and example for other companies, including Japanese companies. We are actively pursuing efforts in that direction.