

United Aircraft story is a sad but perfect example of the problems of foreign ownership in Canada and the related failure of the federal government's corporate give-away programs to create permanent benefits for the people of this country. I will come back to this statement later, to justify it.

What is United Aircraft producing here and in the United States at this time? They are producing an exceptionally fine engine which was developed in Canada. The research for that engine was financed largely by the Canadian taxpayer, and the innovative ideas came from Canadian scientists and technicians. These engines can be used in small planes, helicopters, turbo trains, hovercraft and, of course, STOL aircraft. I am informed that by 1970 the company's production of this engine had cornered virtually 70 per cent of the world market in its class. All things considered, it is an exceptional accomplishment.

How was this project financed? Since 1965, the federal government, under the defence industry productivity program, approved \$108,563,239 in grants. That was not loans, but outright gifts from the taxpayers of Canada. The company did, of course, put up some capital on its own. What has transpired since January of this year with this company in Longueuil? Early in the new year there was a strike. There can be no doubt that the reason the strike has persisted since the beginning of January, 1974, until now, the middle of October, is the profoundly anti-labour, anti-trade union policy of that company. The outstanding issue is the non-acceptance of the Rand formula, the recognition that once a trade union is democratically established, the check-off system for all members of that bargaining unit should automatically come into play. This formula has been accepted for more than 20 years by 90 per cent of all companies in Canada, where unions exist, as being an entirely equitable arrangement for working people. However, United Aircraft, both in Canada and the United States, rejects this highly civilized process for bargaining.

I want to put on record the attitude of this company's president toward the employees who produce these engines. I quote from an article by Wilfred List which appeared in a recent edition of the *Globe and Mail*. On the question of the democratic right to have a check-off, the company president said:

Why should the union officers sit on their asses in their offices while we collect the dues?

They already have the voluntary irrevocable check-off. . . . So to hell with them. Let them work for the dues.

That is the president of United Aircraft of Canada Limited. That is the man who is responsible for a nine-month old strike. As I said a few moments ago, that kind of attitude at the management level went out of virtually all companies in Canada some 20 years ago. However, it remains firmly embedded at the top of United Aircraft.

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The Quebec labour mediator appointed by the minister of labour of that province has described the company as being, to quote him, "intransigent" on this issue. He said he was told by the company that even if the men and women out on strike accepted every company proposal—wage levels, pension benefits, you name it—management

*The Address—Mr. Broadbent*

said they could not, and would not, accept the Rand formula. Hence the description of the mediator appointed by the minister of labour of the province of Quebec of the company's attitude as being "intransigent", which I think is absolutely correct.

It is clear that the principal concern, in terms of labour matters, of this company that is owned in the United States is not its workers in Canada but the 60,000 employees it has in New England, principally in the Hartford, Connecticut, area. Those employees are now negotiating a new contract because their old one runs out some time next month, and the principal concern of the employees of the corporation in the United States is exactly the same as that of the Canadian workers in Longueuil, Quebec. That is to say, they want the check-off principle established. They want the democratic right to have dues collected from all members of a trade union accepted by the majority in a plant who benefit from that union's negotiations. It is clear that this company is using its Canadian workers as scapegoats for the real battle that it plans to fight and which it is now getting under way in the United States with its 60,000 employees there. Canadians are suffering because of a corporate concern outside our own borders.

In permitting this inhumane treatment of working families in Longueuil, what have been the economic consequences of this shutdown for some nine months? First of all, the company has admitted that it has shifted 40 per cent of its production from Canada to the United States. This point is not new, and it ties in with federal financing through gifts of this kind. When work was commenced on this engine project in the first place, after the engine had been developed at Longueuil, the first international sale in the range of about \$1 billion was made to Iran. But instead of the sale being made by Canada, which had developed the engine, the company decided to build a new factory in West Virginia and to produce all the engines for sale to Iran in the United States. I have not checked the number, but my guess is that the number of employees working in the United States as a result of Canadian developed technology exceeds the number who are working in Canada.

As I have said, within the last nine months the company has transferred 40 per cent of its production to the United States. What does the company intend to do next year? According to a company official who was quoted in last Wednesday's *Montreal Gazette*, the company plans a 35 per cent reduction in production next year. According to that company official, the federal government has been kept informed all along of this cutback decision, and has been informed of the company's plans for next year.

In the House today, the Minister of Industry, Trade and Commerce (Mr. Gillespie) tabled a letter that he proudly held up and contended offered assurances to workers in Longueuil and to the people of Canada regarding their future prospects. This letter came from Mr. Stephenson, the president of the corporation. It was mailed last Friday, and I suspect driven down here at the minister's request. He probably got on the phone last week, after being questioned in the House, and said; "Please give us some wonderful assurances about your Canadian plans". He then got this letter from Mr. Stephenson. I do not think I exaggerate when I say that, in substance, it is worthless in