

Adjournment Debate

North American market. The Liberal government is guilty of mismanagement and indifference. The workers of Whitby Tire, especially the 290 laid off, would be the last to agree that the Firestone takeover of Whitby Tire is of "significant benefit to Canada", as required by the Foreign Investment Review Act concerning Firestone's takeover of the company.

Is the Minister of Industry, Trade and Commerce (Mr. Gillespie) prepared to review, along with his colleague, the Minister of Finance, the decision to reduce the tariff rate from 17½ per cent to 12½ per cent? Is the minister prepared to consult with the tire industry officials to work out a means of recapturing Canada's rightful market share? These questions have been asked before but responses have not been forthcoming. The question boils down to whether or not the government really cares about the thousands of rubber workers and their future.

The Department of Finance took some interest, for it invited the presidents of the Canadian tire industry to Ottawa so as to ascertain their plans for expansion and employment. Was a bleak picture presented? Quite possibly, because the department did not inform the union or this House as to what transpired. The only statement forthcoming was that at the present time there was no need to increase the tariff to its previous level of 17½ per cent. The fact remains that the present reduced tariff acts only as an incentive to import tires and as a disincentive to the Canadian industry and the workers directly and indirectly dependent on it.

Some will argue that an increased tariff would increase the price of tires. However, the reduction in the tariff has not reduced tire prices. I see no reason why an increased tariff should increase prices. The fact remains that United States and Canadian tire prices are similar, and claims that imported U.S. tires are cheaper are simply unfounded.

We in the New Democratic Party feel the government must protect Canadian industry and Canadian jobs. I ask that the minister take action to restore Canada's share of the tire market. Our working people have rights, and must not be left to the mercy of U.S. based multinationals. The Canadian tire industry must not be allowed to die.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Madam Speaker, let me say at the outset that the government shares the hon. member's concern about the current employment situation in the rubber industry. The question is whether this is due to the increase in imports as such and, more particularly, to any increase which may have been occasioned by the reduction in the tariff, or whether it is a result of the general situation in the automotive industry.

Hon. members will be aware that this tariff reduction was one of a number of tariff cuts originally introduced in the budget of February, 1973, as part of the government's program for moderating inflation. The legislation gave the governor in council authority to restore the original rates of duty if circumstances warranted such action.

Following the introduction of the November budget the United Rubber Workers' Union requested the government to restore the 17½ per cent rate. The Minister of Finance (Mr. Turner) directed his officials to carry out a full investigation of the situation and to report back to him.

Officials of the Department of Finance and of the Department of Industry, Trade and Commerce met frequently with representatives of the United Rubber Workers. Officials of the two departments also sought the views of the major tire companies. The companies attributed the increase in imports to the decision of the automobile manufacturers to equip their new models with radials sooner than had been expected. This had taken place before planned expansion of radial tire production in Canada had come on stream. I am given to understand that some of these new plants will be in production shortly.

The union and the companies were asked to submit additional information concerning the outlook for employment and production in the industry. I understand that on the basis of this data a more detailed report has now been made to the Minister of Finance. It will, of course, be up to the minister to decide what further action may be necessary once he has studied the report. So, contrary to what the hon. member has said, there has been consultation, not only with the tire companies but with the union.

EXTERNAL AFFAIRS—GARRISON DIVERSION—SUGGESTION
UNITED STATES BE ASKED FOR A MORATORIUM ON PROJECT

Mr. Dan McKenzie (Winnipeg South Centre): Madam Speaker, this is the second time within nine days that I have risen to ask the government to call for a moratorium to halt the Garrison diversion project in North Dakota. On May 20 I gave reasons why a moratorium should be sought. One of them was a statement made by Mr. Charles A. Vanik, the Ohio representative, that the Garrison project was "environmental and economic madness." Mr. Vanik added:

The Bureau of Reclamation has tried to do everything in its power to push the Garrison project ahead. Nothing can hide the fact, however, that it is an environmental disaster.

I presented new evidence to the Acting Prime Minister (Mr. Sharp) today and I propose to read a letter in just a moment or two. On May 20 the parliamentary secretary stated that the Canadian government would be sending a blunt note, along with the United States government, to the International Joint Commission, calling for another study. The last thing we want is another study into the Garrison diversion project. If time allowed, I could stand here for three hours quoting from studies showing why this project should not be proceeded with. It is unfortunate that the government is not looking at these studies because it would then know that it should be calling for a moratorium, not a further study.

● (2220)

What is also most disappointing is that the Schreyer government of Manitoba has gone along with this proposal that a note be sent to the IJC for another study. I note that the hon. member for Winnipeg North Centre (Mr. Knowles) is here tonight, and I hope that he will use his influence to contact Premier Schreyer and ask him to get together with the federal government in calling for a moratorium.

Today I forwarded a letter to the Acting Prime Minister from William S. Moorhead, who is the chairman of the