

*Oral Questions*REQUEST FOR RENEGOTIATION OF CANADA-UNITED STATES
AUTO PACT

Mr. Joe Reid (St. Catharines): Madam Speaker, my question is directed to the same minister. I want to assure him that hon. members on all sides of the House know the importance of the American market, but our share should be bigger.

During the last 17 years since the auto pact was signed we have built up a \$20 billion surplus in vehicle assembly, but also an incredible \$35 billion deficit in automotive parts, and that is where most jobs are. Studies undertaken by the province of Ontario have indicated that if Canada had a fair share of both the parts and the assembly business in the automotive trade, our fair share would result in an additional 25,000 jobs. An additional 25,000 workers would now be employed. Is the minister sufficiently committed to Canadian jobs for Canadians that he will negotiate a fair share clause in the auto trade agreement?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, there has been a substantial increase in employment in the auto parts sector in Canada since the auto pact began. If I am not mistaken, there has been about a doubling of employment in that sector since 1965 when the pact went into operation. At the same time, there is no doubt that while there has been a tremendous increase in investment and production in the Canadian auto parts sector since the pact began, as well as a tremendous increase in exports of auto parts, this deficit situation my hon. friend has mentioned definitely exists, and that is why we have begun consultations with American authorities about problem areas we see connected with the auto pact, and why we intend to continue these consultations actively to bring about solutions in problem areas such as the deficit on auto parts.

QUERY RESPECTING MINISTER'S POSITION

Mr. Joe Reid (St. Catharines): Madam Speaker, I wonder how I can tell the additional 1,100 persons who were laid off in St. Catharines this morning that the minister has increased employment in the automotive industry. The minister knows that the automotive parts industry is in difficulty because of the policy of his government respecting the importation of motor vehicles and the \$15 billion deficit in the auto trade agreement. Is the minister prepared to stand idly by and watch the automobile business disappear just as the electronic business disappeared, and let imports come into this country without even so much as a single Canadian bolt in them?

Mr. Taylor: All he will do is talk about it.

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, in spite of the lay-offs about which the hon. member is talking I think it is a fact that the over-all number of people working in the auto parts sector in Canada is substantially higher than the number working in that sector when the auto pact began. At the same time, in recent months and years we have taken a number of substantive steps aimed at

strengthening employment opportunities in the auto parts sector.

I have mentioned the Volkswagen agreement. I have mentioned the programs to strengthen Chrysler and Ford in Oakville. I have mentioned the \$25 million auto parts investment program. I have also just mentioned our discussions with the Americans. My colleague, the Minister of State for International Trade, has also been carrying on discussions with the Japanese. Those discussions obviously must be actively pursued, but we are certainly committed to maintaining and continuing efforts to have strong employment levels in the auto parts sector. I think we have taken very strong action in the past, and we will continue to do so in the future.

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TRADE

NEGOTIATIONS WITH JAPANESE GOVERNMENT ON
EXPORTATION OF AUTOMOBILES TO CANADA

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Secretary of State for External Affairs, but before asking it I would like to say that the Minister of Industry, Trade and Commerce should know very well that in spite of his rhetoric our imbalance in trade in automotive parts is worse now than it was before the auto pact came into being.

• (1425)

I would like to ask the Secretary of State for External Affairs this question, following the statement made in Japan by the minister of trade, prior to the weekend, that he was not concerned even though his proposal for increasing Canadian content in Japanese-produced vehicles was turned down flat, and seeing that the import agreement negotiated between Canada and Japan terminates within a week, and that it did not bother the Minister of State for International Trade that nothing was put in its place. Considering this, and considering that the Japanese increased their sales in the Canadian market, obtaining a 54 per cent increase in one year, is the minister himself more concerned than the Minister of State for International Trade, and can he give us one concrete achievement that was negotiated with the Japanese last week?

Mr. Deans: Or even last year?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the Minister of State responsible for international trade and I take exactly the same position.

Some hon. Members: Oh, oh!

Mr. MacGuigan: Obviously, it is precisely because we are concerned about the content of the possible arrangement with the Japanese that we have not come to an agreement at this point. We regard the negotiations as continuing, and they will be continuing soon with officials, and probably subsequently again with ministers.