

investment and it would be quite unnecessary to engage in such costly bribery, which is what it is.

It seems clear that the Canadian industry's most critical problem lies in the parts sector which accounts for the excessive and continually growing over-all trade deficit figures I mentioned earlier. This sector offers much higher benefits than vehicle assembly in terms of value-added and job creation. It is a field in which independent Canadian firms would appear to have good prospects of success, given fair access to the monopoly market operated by the vehicle producers.

Since parts and accessories constitute over three-quarters of the value of the finished vehicle, it is apparent that they must be fully included in any meaningful calculation of benefits accruing to the perspective countries and industrial participants.

I therefore suggest that when we are talking about the remission of duties the principle of fair share should be applied to the parts sector as a separate entity distinct from the vehicle assembly sector with which the present agreement, the auto pact, is primarily concerned. Such segregation would permit the more effective application of essential safeguards and help to ensure compliance with the basic intent of the auto pact.

Since some 60 per cent of total parts consumption is either produced in-house by the vehicle assemblers or comes from captive suppliers, it should be entirely feasible to incorporate the requirement for an appropriate share of Canadian parts in the commitment package for each of the major automotive producers.

Now is the right time—in fact, I think the time is long overdue—for Canada to encourage our parts manufacturers to compete worldwide in this new day and era of the world car, and unless the government takes the initiative to create incentives allowing Canadian manufacturers to get their fair share, this will not happen. We can no longer afford to sit idly by, as the Liberal administration has done time and time again, not dealing with the facts of today but rather looking back to yesterday, content with studies upon studies upon more studies.

The reduction in size and weight and increased fuel efficiency which are taking place in the United States and around the world have put a premium on the use of three materials. They are aluminum, plastics and stainless steel.

These are Canadian strengths with which we can become competitive not just in Canada but in the wider world. Canadian parts manufacturers must be encouraged to go after the automotive parts business anywhere in the world. They can do so. Canada might aid this development through the use of duty remission schemes. I believe we should bid for world productions of components and allow vehicles manufacturers in other countries to deduct from their Canadian duty the value of their parts purchased from Canada. We should consider broadening the application of duty remission to allow foreign producers to apply against Canadian duty on the basis of the total value of Canadian parts used worldwide. This would create an opportunity for Canadian parts manufacturers to

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trade not only in the United States but also in Japan, Germany, the United Kingdom, Italy and France as well as South America and Africa. With the world car concept, the only way we will stay competitive is to go to the world and trade our advantages—and those are our auto parts and our natural resources—with the rest of the world. We cannot depend on the present auto pact to be able to go forward in that regard.

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Such a concept would build on Canadian strengths and would encourage Canadian entrepreneurs to go to world markets to sell. Duty remissions can provide the framework for this export drive. Within the development potential of the remission program, joint ventures with foreign vehicle manufacturers to produce such items as plastic and aluminium components must be encouraged. As part of the same strategy I suggest that Canadian producers of auto parts be encouraged to form export consortia so that they might be more competitive in the world markets.

As I said, we could continue debating this for a long time and come up with the many options that are available. That is precisely my point. Options are available to this government and to this Parliament—I have mentioned a view of them. What is needed is action by the government to work out those options. Unless the government takes action, our auto industry will not get its fair share in the United States where most movement is taking place and our assembly plants and, more important, the smaller and medium-sized parts manufacturers will go down the drain.

So I urge the hon. member not to go back to some reports of three or four years ago and wonder where he can get orders in council when he knows full well—he has been here long enough—that *The Canada Gazette* prints those orders-in-council and that anybody in the country can find out from that source what they are. If he is indeed concerned about the auto industry, he should put pressure on the Minister of Industry, Trade and Commerce (Mr. Gray), on the cabinet and on the Prime Minister (Mr. Trudeau) to start acting on some of these important issues. Only then will we be able to make the best of the strength we have.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I am very pleased to have the opportunity to support the resolution put forward by the hon. member opposite. I think there is a very clear need to make a record of these orders in council from some readily available source, which would entitle the Canadian auto industry and the auto industry in general to a remission on import duties. The only thing I really regret is that the resolution is not broader because it appears there is much more information which the public should have, considering the present state of the auto industry and its future options.

I also agree with what the hon. member who has just preceded me said in the sense that I think the government is basically looking at an issue that is dead. The whole North American auto industry has been restructured but we are looking back at what happened almost a decade ago and trying