

Oral Questions

therefore create jobs in this country, and the second, to establish content regulations for all offshore importers as we do with the Americans, also to create jobs in our country? Forgetting about the task force report, does the Minister believe in principle in those two viewpoints, or does he categorically oppose them?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, I would find it unusual if I were in agreement with the usual right wing reactionary views of the Hon. Member. In this particular case I certainly am in agreement with the principle of providing incentives for offshore producers to invest and produce in Canada when such investments are in the Canadian interest. That has long been the stand of the Canadian Government.

When the Hon. Member says that we should be strict on content on all types of products—

Mr. Jelinek: Automobiles.

Mr. Regan:—and require that production occur in Canada, I think that would go to the absolute heart of destroying the multilateral trading system. Since we are a country that depends upon our exports for over 30 per cent of our GNP, we of all people would stand to lose. I think the Hon. Member must keep in mind that whenever we sell locomotives overseas, or boilers overseas, or power stations, or anything else, that means jobs in Canada just as much as the goods that are sold in Canada. Indeed, it is a very important part of our economy.

We must find solutions that will protect the existing jobs, those that relate to sales in Canada and those that relate to our export sales, and not throw away one or the other. If we erect protectionist barriers we have to expect that we will be countered by retaliation in those markets.

Mr. Jelinek: If I understood the Minister correctly in the long speech that he just made in answer to my question, he is categorically opposing content regulations for automotive imports. Therefore he is opposing the thrust of the tax force report on the automobile industry.

VOLUNTARY RESTRAINTS ON IMPORTATION OF JAPANESE
MANUFACTURED VEHICLES

Mr. Otto Jelinek (Halton): Madam Speaker, on a related matter, as the Minister knows, voluntary restraints on Japanese auto imports under last year's agreement run out in just over a month, on June 30. Once again the industry is being kept in the dark in this regard.

Could the Minister shed some light on this matter and relieve the anxiety that exists in the minds of many unemployed automotive workers and their families, in my riding and right across the country?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, I want to say first to the Hon. Member that I am not rejecting any of the recommendations of the task force at this point. I think they need to be carefully studied. If the Hon. Member will reflect on the words I said,

he will find I said that we cannot have a general system of that type. But GATT itself has recognized that, from time to time, for the protection of a vital domestic industry temporary conditions can be arranged.

● (1420)

If you want to refer to the Auto Pact with the United States, that is a question where two parties entered into an agreement. There will be agreements that we can enter into with the Japanese. There are interesting areas there to be discovered and I think the work is worthy of very careful examination.

In relation to the state of the negotiations for a continuation of an agreement level beyond July 1, these are continuing. We as yet do not have an agreement. We are hopeful that an agreement on figures for an ongoing period of time will be achieved before July 1. If it is not, then I will recommend appropriate steps to the Government.

CANADIAN CONTENT REQUIREMENTS

Mr. Scott Fennell (Ontario): Madam Speaker, my question is addressed to the Minister of Industry, Trade and Commerce. I trust I will get more succinct and shorter answers. First I would like to commend the Minister and the authors of the task force report. However, there is one concern which many auto workers have, namely, the content under the Canada-United States pact at the present time is approximately 74 per cent. Is it possible for the Minister to keep the Auto Pact for the North American automotive manufacturers separate from any other foreign manufacturers so that their content of 74 per cent will be kept intact, and the 60 per cent mentioned would only apply to the new outside foreign manufacturers who set up business in Canada?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I am sure the members of the task force will appreciate the Hon. Member's compliments. The matter, however, will depend on what can be negotiated. The Auto Pact was something that was negotiated between the U.S. and Canada. Therefore, the answer to the second part of the Hon. Member's question will depend upon what could be negotiated with a third country.

ENCOURAGEMENT OF PARTS MANUFACTURERS

Mr. Scott Fennell (Ontario): Madam Speaker, could we leave the 1965 Auto Pact in place and deal country by country on the other ones? A new agreement is not going to be as beneficial to Canada as the one we have now that was arranged in 1965.

In many other countries there is tremendous assistance for small business related to the automotive industry, namely, grants, tax write-offs, and high technology assistance. Could the Minister address himself to encouraging those industries that are supplemental to the major automobile manufacturers?