

Chrysler Canada

build a van then, and Britain is still waiting for it. I suspect that we might be waiting a while too. I would rather have had as significant share of the manufacturing of the K car with a mandate to move out into the world to sell that car, to source the parts for the manufacturing of that car and to tie the research and development of that car, rather than to saddle us with something that may or may not sell.

In addition to that, I notice that the front wheel drive operation offered by Chrysler Canada, as I understand it, is to be something called a down-sized Cordoba. I see the minister is shaking his head. If it is not the case, then I am delighted to hear it. I hope that when the minister rises he will tell us what it is. Is it in fact to be a down-sized Cordoba, which is what my colleague from Broadview-Greenwood (Mr. Rae) and I were told by the president of Chrysler Canada about six or eight weeks ago? We were told they intended to build this down-sized car here, and we were also told that they intended to build a V-6 engine, but that has gone by the wayside as well for some reason. I would like to know more about this down-sized car and what it is we will be building. If we will be building part of the K car, then I think that we can be happy; but if that is not the case, then we must take a very serious look at what it is we will be getting. I do not see Chrysler being able to market a car in Canada other than a small car.

On page 8 of the document there is an indication that Chrysler Canada will make every reasonable effort to source material and components in Canada. I suppose one could interchange the wording and say "where practicable", because that is the same phrase. They are just new words with the same meaning. I would like to know what will be the term in the contract, that will be the proportion and what are the parts that they intend to source in Canada. Has a listing been made of the parts which Chrysler will be able to source in Canada? Has anyone looked at the various suppliers that they presently have in place, and has Chrysler suggested to the government in the course of the deliberations how much of the car in total, either in terms of dollars or numbers of parts, will actually be sourced in Canada, and where?

There is a grand opportunity here, if this car were to be successful, for the manufacturers to be successful and for the development of manufacturing processes right across this country. This car or its parts could be manufactured in any part of the country—for example in Alberta or on the east coast—where we might not have to put money into Michelin but instead into the sourcing of parts, thereby diversifying the economy of Nova Scotia, which would not be such a bad idea.

With regard to autonomy, I would like the minister to tell the House how Chrysler intends to establish this autonomy. He will remember, I am sure, that when I made my statement a week ago about how I thought we might deal with the Chrysler matter, I suggested that Chrysler Canada should be set up at arm's length from the parent company and should issue new shareholdings in Canada, and that the company should be given a mandate to operate here independent of the parent company. This would be in order that the benefits of

the great expertise of Canadian workers could flow to Canada; in order that there could be some pride in the vehicle produced; in order that we could take full advantage of the opportunity; and not only that, but also in order that we would not be tied to whether or not the company is successful in the United States.

● (1640)

I think the minister knows, as I do, that there is very little in the way of an indigenous manufacturing process that goes on within the Chrysler Corporation. They buy most of what they use for the manufacture of cars from outside sources in any event. The tie-in between the parent company and the subsidiary operation in Canada could therefore quite easily have been set up at arm's length. They could then have purchased from the same sources because the sources are independent operations in most instances.

I think the minister might address himself to why that did not happen. Before he says it was too difficult, I want to point out that Chrysler Canada told my colleague and me at the meeting that although it would be difficult it certainly was not impossible. They said that not only was it a sensible suggestion but one which they did not find offensive, and that they might have enjoyed the independence which would have resulted from that kind of structural change. We might even have ended up with something that could be identifiably Canadian. It does not have to have—

Madam Speaker: Order, please. I can hardly allow the hon. member to make his statement in reply to a statement longer than the statement itself of the minister. The hon. member has been speaking for 15 minutes, as did the Minister of Industry, Trade and Commerce (Mr. Gray). I would therefore ask him to conclude his remarks very briefly.

Mr. Deans: I will go through the other points but not deal with them right now, Madam Speaker.

I want to go to the matter of employment very quickly. What is contained in this document is really a farce. It is simply a statement of what ought to take place as a result of the auto trade pact in any event. If the auto trade pact section 1(d) had been enforced over the years, we would have had a higher level of employment in any event. If Chrysler hopes to take advantage of the auto pact provisions, they have to provide employment in Canada.

If Chrysler does not want to pay duty on the sale of its cars in Canada, they have to provide employment in Canada. The levels of employment set out in this document provided by the minister are even lower than the levels of employment they would have had to provide under the auto trade pact in any event. The fact of the matter is that this is not a commitment from Chrysler but simply a restatement of what would have taken place even if we had never entered into any agreement. I suggest to the minister that there is something farcical about that aspect of it. It does not speak to what could have been done here.