

INDUSTRY

MICHELIN TIRE COMPANY—PROPOSED IMPOSITION BY UNITED STATES OF COUNTERVAILING DUTY—POSSIBILITY OF ACTION AFFECTING OTHER COMPANIES ASSISTED BY DEVELOPMENT GRANTS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Finance. In view of the American government's intention to impose countervailing duties against Michelin tires exported from Nova Scotia to the United States and in view of the minister's assertion on the weekend in Halifax that this could "be very serious" for the federal government's whole regional incentive program, can the minister inform the House whether he has precisely determined the American policy in this area and, more particularly, do the Americans intend to take similar action against other firms receiving DREE grants?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the United States treasury has received a complaint to the effect that exports of Michelin X-radial steel-belted tires from Canada to the United States benefit from a bounty or grant. We are advised that, under American law, once the treasury receives a properly documented complaint they have no alternative but to start an investigation. This does not necessarily mean that a positive finding will be reached or that countervailing duties will be applied. It depends in part on the results of the investigation. As far as we know, the United States is not contemplating countervailing against products of other firms which receive grants under DREE.

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Mr. Broadbent: Have our representatives in Washington determined the source of this initiative? Was the complaint made by an individual United States firm, or is this a reflection of United States policy? I ask this question bearing in mind the fact that discussions on trade with the United States are still continuing. Reference has been made to their objections to our DREE programs. This involves an important matter of policy. Could the minister tell us whether, for example, the Michelin situation is a reflection of the desire of the United States government, or of a particular person who raised the objection initially?

Mr. Turner (Ottawa-Carleton): The notice of receipt of the complaint is couched in somewhat general terms, but the complaint would seem to be based upon the suggestion that the assistance the company has received both from the province of Nova Scotia and from the federal government under the DREE program might constitute, in terms of the United States law to which I have referred, a bounty or grant in support of exports. We do not yet know who made the complaint.

Mr. Broadbent: Can the minister tell us whether his department or some other department has considered the effects of this development upon the tire industry in Ontario which is already operating below capacity? The industry currently employs about 11,000 workers. Has the government considered the effects that successful action by the United States government in curtailing exports to

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the United States would have if those tires are dumped on the Canadian market?

Mr. Turner (Ottawa-Carleton): I do not quite follow that logic. The complaint is based, as we read it, on the fact that the Michelin Tire Company of Nova Scotia received a bounty or grant from the province or from the federal government under the DREE program. This would not necessarily apply to Ontario plants.

Mr. Broadbent: I will try to simplify the matter for the minister. If the United States action is successful it will mean that Michelin can no longer export tires to the United States as intended. The company is going into the production of these tires in the near future and is therefore bound to sell them somewhere. Presumably this would be on the Canadian market. Is the government considering the effect this would have on the industry, particularly in the province of Ontario where tire plants are already operating below capacity?

Mr. Turner (Ottawa-Carleton): There are too many hypotheses in that question for me to bear down on it.

Mr. R. Gordon L. Fairweather (Fundy-Royal): There is no hypothesis in this question, Mr. Speaker, though there is some doubt about the order in which the minister may want to do the things which he is asked to do. Is there any insurmountable barrier to the minister having, I think he said, a good meal with his feet up and a long chat with the United States Secretary of the Treasury? Is there a problem, or could this be arranged?

Mr. Turner (Ottawa-Carleton): I do not see any problem, Mr. Speaker.

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[Translation]

PENSIONS

OLD AGE SECURITY—QUEBEC REPRESENTATIONS RESPECTING AMENDMENT OF ACT

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

Has the Canadian government received official representations from the Quebec government expressing its displeasure with the new federal budget or the new old age security Act?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, not to my knowledge.

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[English]

SOCIAL SECURITY

FAMILY INCOME SECURITY PLAN—SUGGESTED EARLY CONSIDERATION OF BILL BY COMMITTEE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question was intended for the chairman of the Standing Committee on Health, Welfare and Social Affairs but I will direct it to the Minister of National