

*Oral Questions*

vague, by not putting forth the policies, by not suggesting what the governments' program is he contributes to speculations.

**Some hon. Members:** Hear, hear!

**Mr. Gillies:** I would ask the minister again in order to avoid speculation and eliminate uncertainty, if he would not tell the people of Canada and the people involved in foreign exchange transactions what reserve position the government of Canada believes appropriate, given the volume of trade we have and the sort of activity that is going on. That would eliminate speculation. It increases speculation when the minister does not answer these questions.

[*Translation*]

**Mr. Chrétien:** Mr. Speaker, the Canadian dollar is floating on the market at present and it would be useless for me to make further comments. If we proceed with further operations on the market, we will advise the market by making a public statement. In addition I do not want to speculate on the matter because the reserves of all countries vary from month to month and such is the situation of Canada.

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● (1422)

[*English*]

## INDUSTRY

### INVESTMENT IN AUTOMOBILE PLANTS IN CANADA— CANADA-U.S. AUTO PACT

**Mr. Edward Broadbent (Oshawa-Whitby):** We now have it officially on the record that the Minister of Finance has no intention of discussing economics either in the House or outside. I am not sure it is assuring, Mr. Speaker.

I would like to ask the Minister of Industry, Trade and Commerce a question. It was announced in the press today that the Chrysler corporation has announced a lay-off of another 5,000 employees. This is the fifth lay-off in about the same number of weeks by that corporation. It highlights the unfair pattern of investment and job losses that we have experienced in Canada in this industry.

Considering that the minister's own department, in a report to the first ministers' conference, pointed out that the auto trade deficit would reach an annual average of \$2.5 billion by 1985 if the present trend continues, I would like to ask if the minister has been able to obtain from the leaders in this industry specific and important investment commitments in Canada.

**Hon. Jack H. Horner (Minister of Industry, Trade and Commerce):** Mr. Speaker, in Canada the auto industry has enjoyed something like four very good years. From time to time production does get ahead of demand and there have to be some cutbacks in order to allow the market to absorb that which has been produced. We have three or four prospective plants in the negotiating stage. We are competing, and we

[*Mr. Gillies.*]

have to compete very vigorously with lucrative offers from some of the southern states in the United States for these auto plants. That is the problem and that is what we are up against.

**Mr. Broadbent:** Mr. Speaker, I assume that by now the minister has had a chance to look at the Canada-U.S. automotive agreement. If he has, he will have seen that the first clause of that agreement states that both countries are to share, on a fair and equitable basis, in future growth in the industry. That is what both countries are committed to. The reality is that we have lost, according to the Canadian Automotive Parts Association and the UAW, on any reasonable standard of comparison, some 20,000 jobs since that pact came into being.

I would like to ask the minister, since the president of Ford of Canada said not long ago that he anticipates \$58 billion of new investment in the industry between now and 1985, since that announcement was made has he been able to obtain commitments from the industry for us to get at least our share of the industry—not more, not less, but at least our share, which will come to about \$750 million a year?

**Mr. Horner:** Mr. Speaker, I think the hon. member should stick to philosophy: he may be a lot better on it than he is on figures.

**Some hon. Members:** Hear, hear!

**Mr. Hnatyshyn:** That is what you said about Trudeau.

**Mr. Horner:** We have a net gain in vehicle manufacturers in Canada. The manufacture of vehicles is more work-intensive than the manufacture of parts, so one must do some subtraction in order to arrive at the total job loss. As I have said in this House, we are losing approximately 5,000 jobs a year because of the deficit in the manufacture of parts. We are striving and working very hard with Ford on two or three new automotive parts plants in Canada, but we have to compete with some lucrative offers being made by the southern states.

We have submitted bids to Ford, to Chrysler and to General Motors. The ball is in their court, and we are pressuring them as much as possible in order to obtain a decision as soon as possible. Nothing would give me more pleasure, Mr. Speaker, than to stand in this House in the next week and announce that three or four plants will be built in Canada. That is what I am aiming for.

**Mr. Broadbent:** Mr. Speaker, virtually every one of the Minister's predecessors has made the same kind of general statement of great expectations and hopes about the future. But the reality is that we still do not have what both Canada and the United States committed themselves to in the auto pact more than ten years ago when they signed it. When the auto agreement was brought into being in 1965, the then minister obtained a written commitment from the head of each of the Big Four companies in Canada about their investment plans. Why is he unable to get the same kind of commitment now, when there is such a massive deficit?