

*Order Paper Questions*

## TASK FORCE ON CANADIAN MOTOR VEHICLE AND AUTOMOTIVE PARTS INDUSTRY

Question No. 494—**Mr. Dingwall:**

1. Did the 1983 task force on the Canadian motor vehicle and automotive parts industry recommend to the Government to pursue a trade policy that would require all vehicle manufacturers in the Canadian market to make binding commitments comparable to those now made by the vehicle manufacturers operating under the Canada/U.S. automotive trade agreement and, if so (a) was this done and (i) if so, on what date (b) if not, for what reasons?

2. Did the Government introduce a technology licensing program in the automotive parts industry and, if so (a) on what date (b) what does it cover?

3. Does the Government provide incentives to encourage joint ventures that transfer foreign technological capabilities to Canadian automotive parts manufacturers and, if so (a) what are they (b) how do they work?

4. Have incentives been created to encourage the development and expansion of the number of technological personnel in the independent Canadian parts industry and, if so (a) what are they (b) how do they work (c) on what date were they implemented?

5. Did the Government, with or without the co-operation of the industry, conduct an analysis of the opportunities for expanded auto parts production in Canada and was a report made and, if so (a) what was the title of the report (b) on what date was it released?

6. Did the Government follow the recommendations to shift the federal sales tax to the wholesale level and, if so, on what date?

7. Did the Government reduce the general rate of tax to 8 per cent from 9 per cent as recommended by the task force and, if so, on what date?

8. Has the preferential tariff rates extended to developing countries been limited to two-thirds of the most favoured nation tariff rate for automotive goods and, if so, on what date?

9. Was the Industry, Labour Adjustment Program expanded and extended to the automotive sector for a period of five years and (a) if so, on what date (b) if not, for how long?

10. Did the Government undertake to determine human resource aspects of changing conditions in the automotive industry and was a report made and, if so (a) what was the title of the report (b) on what date was or will it be released?

11. Did the Government establish an automotive council and, if so (a) on what date (b) who are its members (c) what are their names, addresses and remunerations (d) how often has it met?

**Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion):** 1. Yes. (a) No. (b) The Government prefers to continue to encourage companies to voluntarily invest in Canada and work towards the achievement of auto pact status rather than impose a mandatory Canadian content regime.

2. Since the publication of the task force report the Government has pursued, in collaboration with Automotive Parts Manufacturers' Association, a vigorous action program to seek joint venture and licensing opportunities with foreign producers. High level business missions have been dispatched to West Germany (September 1984), France (July, 1985), Japan (June, 1983, October, 1983, November, 1985), and Korea (November, 1985). So far, the results of these missions have been most encouraging and a number of joint venture and technology transfer agreements have been established.

3. Yes. Under the Promotional Projects Program (PPP), incentives are provided to encourage Canadian companies to pursue industrial co-operation opportunities with foreign manufacturers. Canadian companies can also apply under the Industrial and Regional Development Program (IRDP) for capital and R&D assistance. Most Canadian parts companies

are aware of these programs and are taking advantage of them.

4. On September 5, 1985, the Canadian Government implemented two labour training programs, the Skill Shortage Program and the Skill Investment Program, for the manufacturing sector at large. The Canadian parts industry has already started to take advantage of these programs. Details of the program are available from the Canada Employment and Immigration Commission.

5. The Government is presently conducting a review of opportunities for expanded parts production in Canada.

6. In the February, 1984 federal Budget, the Government followed the recommendation of the task force and shifted the application of the manufacturers sales tax to the wholesale level, effective March 1, 1984.

7. No.

8. Yes, effective May, 1985 for automotive parts and January 1, 1987 for motor vehicles.

9. The Industry and Labour Adjustment Program (ILAP) was not extended beyond its legislated March, 1984 termination date, but additional support for the parts sector was announced in January, 1984 when \$15 million was added to the ILAP budget, bringing total funding for the sector to almost \$40 million.

10. In conjunction with the motor vehicle and automotive parts industries, the United Automotive Workers, the provinces of Ontario and Quebec, the Canada Employment and Immigration Commission carried out a human resource study to evaluate the impacts of market changes and technological development on the human resource dimension of the automotive industry. The study was submitted to CEIC on January 13, 1986 and will be made public in February, 1986.

11. This recommendation was accepted in principle. The constitution of the automotive council is currently under review.

[Translation]

**Mr. Lewis:** I suggest, Mr. Speaker, that the remaining questions be allowed to stand.

**Mr. Speaker:** The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

**Some Hon. Members:** Agreed.

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## MOTIONS FOR PAPERS

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.