

Adjournment Debate

late, if necessary—the assembling of offshore imports here in Canada? That would create jobs. That would stimulate the industry. We do not have to assemble only American-made cars. We could assemble Japanese and German cars. There are many options, and that is what really bothers me.

It is not as if the government and the minister did not have any options. There are options. I have just mentioned a few. However, if the minister is unable to deal with the problems affecting the auto industry in Canada, which seems to be the case, and if the minister is unable to improve the provisions within the auto pact for the benefit of the auto industry in Canada, which seems to be the case—in short, if the minister is unable to take any action in this regard, which seems to be the case—then I urge him at least to bring this whole matter before the Standing Committee on Finance, Trade and Economic Affairs forthwith for an immediate review of the state of the automobile industry in Canada, as well as an over-all review of the obsolete and inadequate auto pact in order that all concerned—namely, management, labour, government and opposition parties—could come to a positive, fair and equitable solution in a much needed public debate.

The minister and the government have options. For God's sake, let us take them. Let us have some action.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): Mr. Speaker, certainly we have long been concerned about the economy of our neighbour to the south which is so dependent upon the auto industry, but I would like to point out to the hon. member for Halton (Mr. Jelinek) that if he examined the potential of the contents of the Speech from the Throne, I am sure he would realize the potential there and the foresight of our government when it mentioned the creation of a Canadian agricultural export corporation. It will create jobs based on a renewable resource that will offer spinoff effects to all Canadians and will assist in the face of the lay-offs which were announced last week in the Brantford area.

Many of the problems facing the Canadian automotive industry are the direct result of a downturn in the U.S. market. We cannot take actions to stimulate sales in the United States.

There are, in addition, further problems facing the Canadian automotive industry which result from changing consumer demand and the need to conserve energy. These problems are being faced up to by the industry, but the solutions are necessarily of a longer term nature.

As a result of vehicle down-sizing and weight reduction the industry is increasingly turning to new materials which require new technologies. It is in this area that opportunities appear to be for Canada.

We have told the House recently that we have been holding meetings with vehicle manufacturers and parts manufacturers. These meetings have necessarily covered a broad range of topics, but clearly we are interested in identifying areas of opportunity for Canada.

Our officials are working with the auto companies to evaluate sourcing patterns and to help ensure that Canadian capa-

bility is used or developed to meet the requirement for auto parts manufacturers to retool and expand in order to capture in parts which are currently produced in Canada.

The full range of research and development grants and loan guarantees available under the Enterprise Development Program is also available to that industry. Additionally, we are working to develop a special program aimed at assisting auto parts manufacturers to retool and expand in order to capture significant incremental business.

Auto parts manufacturers are also participating in fairs and missions at selling more parts in Japan, the United States, Europe and other countries. These have resulted in substantial sales and, in fact, many companies which have developed offshore markets are operating at capacity. One of our objectives is to increase further both the sourcing and production activity in Canada by offshore producers.

● (2220)

CANADIAN WHEAT BOARD—LOSSES TO FARMERS DUE TO U.S. EMBARGO ON GRAIN TO U.S.S.R.—GOVERNMENT POLICY

Mr. Stan J. Hovdebo (Prince Albert): On April 15 I asked a number of questions. I have asked them several times since. Those questions were to find out what the situation was so far as the embargo was concerned, whether there was any chance that the government would reimburse the farmers for the loss of income due to the embargo. The answer to those questions from the Minister of Transport (Mr. Pepin) was:

My information and knowledge at this time is that western farmers are not being affected by the policy that Canada has had with respect to the export of grains to the Soviet Union.

The Prime Minister (Mr. Trudeau), in answer to my question, said that they did have a policy of helping out farmers affected by the grain embargo.

Here tonight I think it is necessary that we try to reach the truth as to exactly where we stand and what the effect of the embargo has been. There are a couple of ways to get to this truth. What has happened to grain prices since the embargo? We find that the evidence is different from December 28 until April 15—there have been some changes since then. Since the question was asked on the 15, the price of wheat fell from \$233 a tonne to \$188 a tonne, or from \$6.34 a bushel to \$5.11 a bushel. This is a direct, demonstrable loss of \$1.23 a bushel caused by the overhang of 17 million tonnes of U.S. wheat which would have gone to the Soviet Union but instead went to the general market with which we were competing.

The second possibility of finding out exactly where we stand as far as our losses are concerned is to compare Canadian prices with those of countries that did sell to the Soviet Union, outside the north American block, not following the U.S. embargo. Here the best example is Argentina which has kept on selling grain to the Soviet Union. Argentine wheat prices have averaged, since March 7, at \$204 a tonne, or \$5.67 a bushel. Canadian wheat prices have averaged, since March 7, at \$183 a tonne or \$4.98 a bushel. This margin has narrowed to 70 cents a bushel, principally because Argentina has now sold all its export wheat, and the other countries hit by the