

Oral Questions

Mr. Lumley: I think what the hon. member is referring to is my colleague talking about the Japanese exports of automobiles.

Yes, Madam Speaker, we are concerned that our surplus with Japan has fallen from \$2.1 billion in 1979 to approximately \$400 million in 1981. I think the hon. member knows that we operate a very free market in Canada.

Some hon. Members: Oh, oh!

Mr. Lumley: Exports of consumer products to Canada from Japan have increased substantially. Obviously that creates an opportunity for import substitution for Canadian manufacturers, and we are doing our best to encourage Canadian manufacturers to take advantage of that opportunity.

IMPORTATION OF JAPANESE MANUFACTURED AUTOMOBILES

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my supplementary question is also for the Minister of State for International Trade. I would refer the minister to *Hansard* for November 26, 1981, when his colleague assured this House that the Japanese auto quota was right on target and that there was nothing to fear.

Given the fact that the deficit on automotive products has risen over 70 per cent in the period to which I referred earlier, and given the fact that whatever the arrangement was—it runs out at the end of next month—what can the minister tell us has been done to ensure that there will be a continuing quota, or some more satisfactory arrangement, to halt this spiralling increase of Japanese cars coming into this country?

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, as I said on Friday, we are initiating discussions with the Japanese in Tokyo this week. Our officials will be telling the Japanese that we want to enter into an agreement with them prior to March 31 when our present agreement runs out. We first want to find out what the state of the agreement is between the United States and Japan, as to whether the Japanese will honour the commitments made under the two-year agreement with the Americans. Once we know that position we will be able to negotiate our own.

IMPORTATION OF LIGHT TRUCKS

Mr. Bill Kempling (Burlington): Madam Speaker, I have a question for the Minister of State for International Trade. Our officials will be having negotiations with the Japanese regarding the importation of automobiles and light trucks. The Americans place a duty of 25 per cent on all light trucks that are imported into the United States. Canada levies a duty of 12.8 per cent, an amount that will be reduced to 9.8 per cent. The Americans, however, will retain their rate of duty at 12 per cent. These light trucks were not part of the quota agreement. Can the minister tell us whether these light trucks will be negotiated into a new quota agreement? Can he also tell us what basis will be used? Last year, there was an

increase, that is 1980 over 1981, of 122 per cent in light trucks coming into this market.

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, since the negotiations will not be initiated until Thursday of this week in Tokyo, it is very difficult for me to tell the hon. member what the final outcome will be.

The possibility of adding a tariff on the trucks will depend on what other things we can negotiate with the Japanese.

As the hon. member for Brant mentioned, and his leader suggested on Friday, one of the things that we will try to encourage the Japanese to do is to source more parts in Canada for the automobiles which the Japanese will be shipping into Canada. There are many component parts to that negotiation of which the hon. member is aware. It would be presumptuous of me to assume what the final result will be.

REQUEST THAT GOVERNMENT TAKE ACTION

Mr. Bill Kempling (Burlington): Madam Speaker, my supplementary question is for the Minister of State for International Trade. Automotive parts and components that were shipped to Japan are down 20 per cent, according to Statistics Canada figures that were released this morning. The reality is that unless we do something about the light trucks then the new generation of light trucks being manufactured by Ford, Chrysler and General Motors will never get off the ground.

The Big Three are now manufacturing new, light, down-sized trucks, and unless we have some firm commitment that there will be light trucks included in the quota and the quota depressed downward, we will never be able to get these light trucks off the ground and out into the marketplace. I am concerned about the guy next door to me working at Ford Motor company who has been laid off indefinitely, and those others working in component parts plants who have been laid off indefinitely. Thirty-eight per cent of them have been laid off. That is what I am concerned about, and I want to hear something more specific from the minister.

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, we have the same concerns as the hon. member. We are interested in the people who work in the whole automobile industry, not only those who work with light trucks, or those on assembly lines, or those who work in parts plants, but those who work on big trucks and other things. Consequently, all those elements will be brought into the discussions with the Japanese.

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MEDICAL CARE

ESTABLISHMENT OF NATIONAL STANDARDS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is for the Minister of National Health and Welfare for whom I have been patiently waiting. I understand