

INDUSTRY—ACTION TO AVOID CLOSING OF SKIL CORPORATION PLANT, RICHMOND, B.C.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, in rising to participate in the debate tonight I could probably just as well read the speech I made on June 22, 1970, because it dealt with precisely the same matter. I think it has identical implications and concerns the closing of a Canadian subsidiary of an American corporation that was once an independent Canadian company.

I am dealing with the problem faced by people who are employees of the Skil Corporation which purchased the Canadian Chainsaw Company located in Richmond, British Columbia, in the constituency of my good friend the hon. member for Burnaby-Richmond-Delta (Mr. Goode). I do not quite understand why I am called upon from time to time to take up his case, Mr. Speaker: this is the second time in two years, and we have yet to hear publicly from the member who represents that constituency. If he is not particularly interested in this problem I should like to indicate that other members from British Columbia are and think it is worth while.

I asked a question of the Minister of Industry, Trade and Commerce (Mr. Pepin) on March 21 relating to the closing of this plant with the subsequent loss of from 125 to 150 jobs for Canadians. The ostensible reason for the plant closure was that there existed in the United States excess plant capacity to produce these chainsaws under Canadian patent. They will be produced in Chicago and imported into Canada.

• (2200)

I think this case is particularly significant. It indicates the general trend and problem faced by Canadian manufacturers, especially those industries that have been purchased by corporations beyond our national borders. Most of us can appreciate the problems faced by such a corporation, with its head office and main decision-making centre beyond our borders when there are domestic problems of unemployment similar to those of our own. I suppose it is only natural that if a large plant happens to exist in the United States with unused capacity, and there is a Canadian operation here, that it be rationalized into the American industrial complex. The priorities of that foreign corporation would demand that the plant outside its borders be closed down and the jobs and plant capacity used for the benefit of the nationals of that country. In this case, it happens to be the United States.

Many people are concerned about the increasing amount of dominance of the foreign corporation in the manufacturing sector of our economy. This is why from Walter Gordon to Watkins to the present Minister of National Revenue (Mr. Gray) the subject has become one of increasing interest and study. The problem is not linked to British Columbia but I think it provides an interesting example. It is not because this particular plant, operating on a Canadian patent and Canadian development, is not making money. I have documents here and if pressed I will quote from them to indicate that the company is making a profit in Canada. However, because the profit is only marginal, the plant intends to close and therefore 125 to 150 jobs are being denied to Canadians.

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While the government has allowed this to happen, it has moved with its customary band-aid approach. I am not criticising this. I think it is only right. It is the old story of locking the barn door after the horse is out. Manpower is spending considerable public funds to retrain and relocate those people who were displaced by this particular move. This is typical of what can happen when a government turns a blind eye to the problems of priorities concerning the employment of its nationals.

Of particular significance is the fact that this particular diminution of employment occurs in the manufacturing area of our economy. It is well known to people who have studied these matters that manufacturing or secondary industries tend to be much more labour-intensive, that is, produce more jobs, create more employment and produce more money for our economy than do the resource industries upon which Canada has been dependent.

Mr. Deputy Speaker: Order, please. The hon. member's time has expired.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, in the middle of 1970 the company to which the hon. member has referred first indicated that they were considering closing the plant in question because of marketing problems which the company was then encountering. At that time the officials of the Department of Industry, Trade and Commerce had discussions with management of the company expressing concern about the curtailment of the operation and pressed the company to consider alternative solutions to their problem which would not require cut-backs in that plant.

I may say in answer to the hon. member who raised this question that members of parliament from this area and supporters of the government find it possible to make direct representations to the minister and that they do so very effectively. Since the date mentioned, the market for chainsaws has become increasingly competitive, and in order to realize the necessary economies of scale the company decided in July to cease chainsaw production in Richmond. Some components will continue to be manufactured in Toronto and this should result in a small increase in employment there.

Officials of the department have again held discussions with the company, but the company has advised that its decision to close the plant is irrevocable because of economic conditions. In some cases employees have been offered alternative employment in other plants of the company, and the company is working closely with officials of the Department of Manpower and Immigration to assist employees to obtain work in other locations. I am glad the hon. member recognizes the merit of these efforts to help the employees involved. I am not surprised to learn that he does not appreciate the nature of the economic difficulties which can occur when profits are small or inadequate. He would, of course, be more sympathetic to the procedure adopted on occasions in my own province of Saskatchewan following the serious failure of plants operated there by the government.

Mr. Knowles (Winnipeg North Centre): You had better stick to justice.