

*Chrysler Canada*

content, so the aid package for Chrysler is totally North American. We do not know, for instance, whether Chrysler in its decisions will find that it can buy certain component parts cheaper outside of North America, and then come back to the government saying that is the fact of life. In fact, that is more or less confirmed in the minister's statement when he says that, of course, Canadian suppliers will have to be competitive, which we expect they will.

Looking at the employment side, the minister has tied his guarantee of employment here to a percentage of the employment in the United States, and the numbers beyond that are not too firm. The key element or key operating point is the fact that we are going to tie the employment of Chrysler Canada to a percentage of what it is in the United States.

Reading through the press release and articles that have been written about this matter, we notice that when the United States president of Chrysler and Mr. Iacocca announced that they could not guarantee job levels in Canada as Ottawa, Ontario and Chrysler officials had previously understood, they sat down on May 1 and federal officials assured Chrysler that guarantees were needed, that Ottawa would not unreasonably withhold ministerial approval if Chrysler could not approve the jobs because of the general downturn in the automotive industry. I do not think that is really a guarantee at all.

The minister has given us some numbers. He has thrown some percentages at us. In fact, what he has done here is say that we are really not going to give Chrysler anything until 1982. I assume that when the contract comes out it will indicate the terms, but in fact this world marketing facility we will have in respect of the van-wagon will end, as I understand from the statement, when the loan is repaid. I suppose we will find out, when the contract is tabled, what that term in fact will be.

The minister did not say in his statement whether the financial institutions that are to be guaranteed by the Government of Canada will in fact be Canadian institutions, institutions in the United States, in Japan or elsewhere.

We believe that some action had to be taken. In spite of the fact that my remarks have been somewhat critical, more of the way the automotive industry has been kicked around by the Department of Industry, Trade and Commerce for a number of years, I think probably this was about the least that could be done, and in all probability exposes Canada to the least possible risk.

I do not think the guarantees that have been put forth as far as employment is concerned are really worth very much in the final analysis. We hope, of course, that Chrysler with this assistance and the assistance that will be given by the government of the United States and the province of Ontario, which is giving a sizeable \$10 million grant rather than more loan guarantees, will help Chrysler find its way back into the marketplace.

The world automotive industry is in a very serious competitive position. We find that most European manufacturers are getting together and talking about using a common engine and

common components. In fact, the projections in the industry indicate that in the next decade we will see about five major manufacturers of automobiles in the world. We will have to wait to see whether Chrysler will be one of those. I certainly hope that Ford, Chrysler, General Motors and American Motors will form part of that complex.

The fact is that they are all moving toward world cars or a world car design. If you consider the Chevette today, the components in that vehicle are supplied by 32 different countries in the world. The same applies to the Fiesta being made by the Ford Motor Company. In other words, the automotive industry is moving toward a car that can have components supplied by several countries. The companies go to those countries and get a duty remission, and if the market is large enough to support an assembly plant they will put one in there for this type of world car.

This is something we will have to address ourselves to when we look at the automotive parts industry, because that industry should be moving toward supplying that world market. We should not fetter that prospect in any way. We should allow them to develop and encourage them to go after the world market for some of the offshore manufacturing of automobiles in order to assure ourselves that we will have a fair share of the world market down the road.

Let me conclude my remarks by saying I am sorry that the minister chose to do things in this way. We had this statement last Saturday. I gather that what he is trying to do is get two or three kicks at the cat. Probably when the contract is made public in due course, he will make another statement and get a third kick at the cat, and in that way get the maximum publicity.

**Mr. Ian Deans (Hamilton Mountain):** Madam Speaker, first of all I want to clear up an obvious misunderstanding on the part of the hon. member for Burlington (Mr. Kempling). I asked the minister if he would make a statement in the House and he said he would. I asked him because I thought it was appropriate that, on a matter of importance such as this, he should put on the record of the House of Commons the position of the government with regard to the expenditure, in one way or another, of considerable sums of money. This is a matter that has significant impact on a very large part of the Ontario economy, if not the economy of the whole country. I thank the minister for making this statement. I think this is a much more appropriate way to deal with this matter, and I am pleased to have it.

I also want to say something to the minister lest he misunderstands. I do not for a moment downgrade or depreciate the problem that he must have had in trying to get a settlement of this matter. I do not envy him a bit, in fact, for having to deal with Chrysler. Chrysler is not one of my favourites to begin with because its record over the years has left a lot to be desired. I do not think it was an easy task for the minister. I make that point because I also do not think that what we got was very good, and that poses a problem for me.