

022-1985
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March 12, 1985

Canadians want domestic parts in foreign cars
Laurier Institute cross-Canada survey shows

A cross-Canada survey by the Laurier Institute for Business and Economic Studies, based at Wilfrid Laurier University in Waterloo, shows that a majority of Canadians feel imported cars should have Canadian-made parts installed in them.

Sixty-four per cent of Canadians feel that way, the survey shows. Another 55 per cent feel there should be a continuing quota on foreign cars.

Free trade, in which car companies could export cars to Canada without quotas or tariffs, won the nod of only 31 per cent. Tariffs on such cars appealed to 19 per cent and the paying of subsidies to domestic manufacturers was approved by 36 per cent.

J. Alex Murray, dean of the school of business and economics at Laurier, and co-author of the report, said the Japanese car importers are strongly opposed to any domestic content legislation. They consider it "a flagrant refusal" to play within the rules of the game.

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"They are arguing for Canadian public support for their position, realizing that the Canadian government will take note of where public sympathy lies," he said. "The Japanese say government policy should not include a continuation of quotas or any content regulations."

He said that the Japanese share of the Canadian markets, under present restraints, total about 18 per cent, significantly more than most other countries allow. The Japanese share of the market in Britain is 12.3 per cent, only 10.3 per cent in West Germany and 2.9 per cent in France.

Quotas have left a gap at the lower end of the price scale because the Japanese have upped their shipments of higher priced cars since quotas went into effect.

Since the low-priced Hyundai Pony from South Korea has sold so well, more than 25,000 in little more than a year, Dr. Murray said there may likely be a re-examination of the special status allowed cars from developing countries.

Dr. Murray said respondents from the three major political parties show differing attitudes to how the matter should be handled.

"Liberal Party supporters are more in favor of requiring imports to have a Canadian part requirement," he said. "The strongest support for free trade came from Conservatives. New Democrat respondents favored a made-in-Canada parts policy, and they were also more supportive for a subsidy to help the domestic industry."