

*Employment Support Bill***GOVERNMENT ORDERS****EMPLOYMENT SUPPORT BILL****MEASURE TO MITIGATE EFFECT ON CANADIAN
INDUSTRY OF IMPOSITION OF FOREIGN IMPORT
SURTAXES**

The House resumed consideration of the motion of Mr. Olson (for the Minister of Industry, Trade and Commerce) that Bill C-262, to support employment in Canada by mitigating the disruptive effect on Canadian industry of the imposition of foreign import surtaxes or other actions of a like effect, be read the third time and do pass, and the amendment thereto of Mr. Burton.

Mr. Norman A. Cafik (Ontario): Mr. Speaker, the preceding speaker on Bill C-262, the hon. member for Hamilton West (Mr. Alexander), made a couple of points with which I should like to deal for a moment. First of all, he indicated that this bill will assist the large industries and he felt that that was proper, but he did not really feel that it would help the many small industries in his riding or those across Canada because they do not export directly to the U.S. Many of them are subcontractors or suppliers to firms which in fact exported to the U.S., and perhaps the level of production which was ultimately exported through the final manufacturer was sufficient to qualify that manufacturer under the act but the subcontractor would, in fact, be prohibited from qualifying because of the terms of the act.

This question was dealt with at considerable length in the Standing Committee on Finance, Trade and Economic Affairs when we dealt with this bill. The minister made it perfectly clear that in cases where a manufacturer was in fact a subcontractor and his goods were ultimately destined for the U.S. through another producer or exporter, such a firm would in fact qualify. I think that is a very important point which should be borne in mind by all members when viewing this bill.

The hon. member also indicated that he did not really know what clause 15 of the bill meant, and he quoted from it. I should like to dwell on this question for a moment because I consider clause 15 to be one of the most important clauses in the bill. Clause 15 provides, pretty clearly in my view:

Where a manufacturer who makes an application under this act for a grant is unable to comply with any regulations applicable in his case and the board is of the opinion that a grant to the manufacturer would not be outside the purposes of this act—

—the board can recommend to the Governor in Council that a grant be given in any event. I led a considerable discussion in the committee on this clause, because obviously it gives rather wide-ranging powers to the board and it is very important that we understand how these powers will be used and exactly what the government had in mind when it inserted clause 15 into the bill.

In committee it was made perfectly clear by the minister, in direct answer to questions which I put to him, that clause 15 allows the board to make this provision applicable in any case which meets the three basic criteria in the legislation. These three criteria are, first, that the base year to be used in calculations in the determination of the amount of production for export is the year 1970; second,

[Mr. Speaker.]

that two-thirds of the amount of the surcharge applicable for that production is the maximum amount of the grant; and the third criterion is in respect of 20 per cent of the production being exported to the United States.

The board can receive an application from a firm that does not meet any one of these criteria or any combination of them, and if it decides that it is within the purposes of the legislation to maintain a certain level of employment in that firm it can make the grant or recommend that the Governor in Council do so. This is a pretty wide-ranging power which overcomes many of the difficulties that members of the committee have expressed in this House in respect of the application of the bill. I think that is perfectly clear.

One other point that the hon. member for Hamilton West made is that only two-thirds of the allowance in respect of the surcharge is payable, and that someone is going to lose. Obviously, that is true. If the board decides to give a grant up to the maximum of two-thirds, obviously the firm affected, in order to maintain employment, will pick up the other third. I do not think anyone has ever implied anything different and I think it is only reasonable to expect that the government, in co-operation with industry, will try to overcome the effects of this surcharge.

Another point that I think should be brought out with respect to the two-third allowance—the minister made this clear, I believe, in the House, as he certainly did in the committee—is that it is not two-thirds of the total cost of maintaining people in the employ of the company but, rather, two-thirds of the surcharge itself. I will go into that matter a little later, because I think it is important to understand that this is not some kind of give-away program, in most cases involving large sums of money, and that companies do not have to give anything in return.

• (8:10 p.m.)

The hon. member for Regina East (Mr. Burton) and others referred to this bill as being in effect a corporate welfare assistance act. In my view that is not true. I would like to discuss that matter for a moment because the NDP proposed two basic amendments to the bill. One was with respect to clause 11, to include farmers and fishermen within the provisions of the legislation. If one really believes that this bill is a corporate welfare plan, then why would one want to extend the principle to cover farmers and fishermen? It seems to me that the charge laid against the legislation by the NDP is sufficiently grave that they would have to vote against it, no matter how it was amended, and in particular that they would not want to broaden its scope.

The other NDP amendment dealt with disclosure of information, seeking monthly reports from the government detailing names of firms that receive aid, the amount of the grant in each instance, the levels of production and employment before and afterwards, and other information, all of which in my view would not change the purposes of the bill. Such an amendment would cover the way in which the bill is administered and in which the government is to report to the House.

If these two NDP amendments were adopted, would it mean that the NDP would support the bill? If they would support the bill with these two amendments incorporated