

*Employment Support Bill*

Affairs. It will be merely a question of maintaining employment at a normal level.

But how to maintain employment level when the manufacturer can limit production? Will the workers have to remain on the payroll without working or will the old winter work program have to be revived for our industries so as to make it possible for them to amortize two-thirds of the losses they have sustained because of the 10 per cent surtax?

A witness even suggested that the company could have other work done by workers affected by a production slowdown. On the whole, according to arguments put forward before the committee, if a manufacturer lays off workers, he will not get the assistance provided under Bill C-262 and if there are no lay offs, no guarantee is given that the manufacturer will be able to make out his case before the board.

Each case will therefore be thoroughly considered and should the board still have doubts after all those safety measures, clause 15, which to me is but a proof of patronage, will lend assistance to the board members. That clause reads as follows:

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, as described in section 3, the Board may, having regard to the purposes of this Act, recommend to the Governor in Council that a grant be authorized under this Act for that manufacturer.

In brief, we have just been told that the minister concerned can decide whether any manufacturer who does not meet all the industrial standards at least meets the political standards making him eligible for grants.

Then, why should a commission be established, since, in the end, the minister himself will decide? However, we are not at all surprised, because we can see therein the methods usually used by this government. You are for us or against us, the master-minds of the government seem to say. But woe unto opponents, for the ministers keep an eye on them and the powerful party organizers—some of whom have acceded to the Senate—will find out whether they are deserving contributors to the election fund.

That is one of the true aspects of the bill now before the House. Besides introducing this bill under a misleading title, this government does not tell the whole truth to the public, making it believe that the measure will cost only \$80 million in grants, and \$350,000 in administration costs. I wish to call the attention of the House to the fact that these amounts apply only to the balance of this fiscal year. This means that before the end of this fiscal year, the minister must ask the House to vote supplementary credits. It is always the same old method. The House is asked to consider a bill said to be of a provisional nature and which involves little expenditure in order to sweeten the pill. Later on, the people have to face the sad fact of a bill of a permanent nature costing workers millions of dollars in terms of taxes and designed for the benefit of foreign companies. It always boils down to fleecing the little fellow for the benefit of the big financier.

Indeed, according to a testimony heard in committee, this bill will cost at least \$250 million solely for assistance, to which must be added approximately half a million

[Mr. Gauthier.]

dollars to cover commissioners' fees and administration expenses. Such is the truth.

**Mr. Pepin:** How awful!

**Mr. Gauthier:** Let us stop deluding the population and let us be honest. We will thus avoid deceiving the Canadian people.

A casual look at the industries affected by the 10 per cent American surtax, shows that the capital of practically all of them is American in a proportion of 80 per cent. Thus, President Nixon hits Canada in two ways since he compels American subsidiaries to turn over to him 10 per cent on products manufactured in Canada and since he grants a 10 per cent assistance to American industries which will promote production at home.

● (5:00 p.m.)

And we good Canadians fall headlong into the trap, calling upon our small taxpayers to supply the United States with over \$250 million to protect American capital in Canada. Instead of making this anti-Canadian gesture, the government should have had the courage to stand up to the Nixon administration and use those hundreds of millions to be granted under the present bill to promote production of our secondary and tertiary industries, so that we stop sponging on the United States and produce more of our own consumer goods.

In fact, we produce barely 40 per cent of our requirements in Canada, while we are the United States' number one source of raw materials. That shows the absurdity of our position and the irresponsibility of a government which brings forward such a solution to the American surcharge. The most logical course would have been the one pointed out by my colleagues, i.e. outright abolition of the 12 per cent excise tax which, like all the others, was a temporary tax at first but which we have been paying for many years now.

What was Mr. Nixon's intention in putting this 10 per cent surcharge on all imports of countries dealing with him? He just wanted to make up for the United States' balance of payments deficit. How typical of a country feeling more powerful than all others. The president of the United States thought maybe that this would compel the countries of the Group of Ten to revalue their currencies upwards. In any case, the American government can see that the reaction came quickly. In fact, on page 10 of *La Presse* of September 8, one could read:

The Nixon plan is attacked by GATT

—The U.S. protectionist measures were unanimously censured by the great commercial countries as well as by the Latin American countries at a meeting of the GATT special task force, according to reliable sources.

The group met to study the trade decisions taken by President Nixon, and particularly the 10 per cent surtax on imports. The representatives of Japan, Great Britain, the European community, Canada and Latin-American countries judged the measures illegal under GATT and most inappropriate. The task force studied a document it received Monday from the International Monetary Fund on the United States balance of payments. The conclusions of the IMF have not yet been published, but the same source indicates that the American deficit is due mostly to capital outflows from the U.S.A.

Mr. Speaker, that is what international organizations think of the situation.