

Minister (Mr. Trudeau) has attempted to place the problem of inflation at the door of trade unions in Canada. I am sure the minister knows that, so far as trade unions are concerned, only 35 per cent of the working force in Canada is organized.

• (3:20 p.m.)

I am sure he knows that the inflation has been caused by high prices for goods and services, doctor's fees, lawyers' fees, and high interest rates over which the government has had no control. Yet the government speaks of unions, and demands that they conform to guidelines. I am positive that if the minister were a trade union leader today he would have refused to accept the 6 per cent guidelines imposed by the government, for the sole reason that trade union members should not be made to bear the brunt of inflation. Then, we had the Prime Minister telling the auto workers that they were screwing the people of Canada, which is both vulgar and wrong.

The second point to be made concerns not only the government's over-all policy with regard to inflation but its policy with regard to the provision of too much aid to foreign companies. To allow grants and give-aways to foreign corporations is a sell-out of the development of a strong and independent economic framework for Canada. If the minister supports the continentalism of most of his colleagues he will throw away the political, economic, cultural and linguistic freedoms of the people of Quebec, submerging the people of Quebec in anonymity. I ask the minister, do we have a quid pro quo with regard to aid to Canadian companies operating in the United States, with the U.S. providing assistance to them in the same way that he wants to help foreign companies operating in Canada? He knows as well as I do that the answer is absolutely no. He knows as well as I do that at present our American friends are attempting to set up barriers against the importation of goods into their country. To provide foreign companies with give-aways on the basis indicated in the minister's speech, that it is really for the purpose of creating jobs, is really a short-sighted view.

The minister has been in this House since the days of the Gordon theory of economic independence. He has been in this House since the receipt of the Watkins report. Now, he is anxiously awaiting the report from the Minister of National Revenue (Mr. Gray) with regard to foreign control. But he knows full well that any report brought down by the Minister of National Revenue will be soft and lenient with regard to foreign control in Canada. I would have thought the minister would have taken some lead from countries like Japan and Sweden which exercise direct control with regard to foreign ownership.

A third reason that the minister has had a short fall of success in his department is that he has placed too much dependence upon private enterprise. It seems to me that the corporations have the government by the throat, simply by financing political campaigns. I always remember the minister saying that he had to determine where the moneys came from to support his party, and that when he did know he would take action. I do not know if

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he has decided where the moneys come from, but I can tell him they come from the corporations that directly control the party in power. Therefore the minister, like many of his colleagues, is just a marionette for the corporate manipulators. The minister is also a prisoner of his own officials, whose main aim is not to rock the economic boat. This is like asking the minister to swim across the St. Lawrence River with both arms tied behind his back.

The minister has some knowledge of what happened in my riding with regard to the Dunlop Corporation. He has seen how futile it is at times to depend on private enterprise, and in particular foreign controlled private enterprise, to solve unemployment problems in Canada. In the case of Dunlop, he knows that a very quick decision was made, not by the Canadian division of the company but by the English division, to close its plant in Toronto, thereby laying off 600 men, many of whom had long service with the company. He also knows that even though it stopped its operations in Toronto, Dunlop continues to operate in another country where labour and material costs are much cheaper than they are in Canada. Yet he continues to place an almost blind faith in the operations of private enterprise firms.

There are two main proposals in the minister's bill, one covering grants and the other covering other incentives on a short-term basis. But the lesson to be learned from all of this, Mr. Speaker, is that private enterprise has achieved a record of failure in creating and maintaining full employment in Canada. I would have thought the minister would have gone further with one of the basic socialist principles of over-all economic planning, and within such a framework could set guidelines to achieve the desired result.

The minister, Mr. Speaker, has a perfect right to ask me, "John, what is your answer to the problem"? In a very few minutes I shall attempt to set forth what I think should be the approach to unemployment in Canada. First, Mr. Speaker, I would not designate practically the whole of Canada as designated areas, but this is what the minister has done. I would prefer to concentrate on particular areas, where incentives would place industries in a strong competitive export position, and also enable them to charge reasonable domestic prices. The minister is quite sensitive about spreading out the moneys at his disposal across Canada. I think he is making a mistake. He is quite sensitive to the charge of showing favouritism to Quebec, but I think he has substantiated the fact that there is not any favouritism to Quebec. The minister should know that there are serious economic and social problems in Quebec. If he feels he should direct the moneys at his disposal to the solution of those problems he should not worry about the charge of showing favouritism. Quebec has a tremendously high unemployment rate, and it has tremendous social problems. I hope the minister has the boldness and courage to meet those problems head on.

On another point, Mr. Speaker, I would not like to see the minister allowing companies to establish themselves in small towns, pay low wages, and not encourage trade union development. One must be very careful that com-