

restrained? In short, they are not. I would suggest to Your Honour that we should endorse the motion before us, because I believe it will be tragic for Canada if we allow a situation to continue in this country where, on the same day, one finds stories in the newspapers spelling out that there are industrial lay-offs at plants such as Admiral, where 2,400 employees have been laid off, Massey-Ferguson with a lay-off of 1,700, Budd Canada with a lay-off of 800 automotive workers, International Harvester with 1,200, McDonnell Douglas with 550, de Havilland with 750, Chrysler with 2,100, the Ford plant at Oakville with 3,500, the Pratt & Whitney plant in Montreal with 610, and General Motors at the Ste-Thérèse factory laying off 3,500 people. That is the reality of this government. Those are the kinds of lay-offs with which we are faced in Canada where the total number of people employed in our manufacturing sector fell by 5 per cent in two months. The number of people employed fell by 110,000 in two months alone.

What is the response of the government? We find that the ministers who are responsible for our present economic climate take themselves over to Hull for a lavish lunch, so lavish that it ended up embarrassing the host when he saw the bill; in short, a \$100 plate dinner or lunch for those who seem to be totally indifferent to the plight of the thousands of Canadians who are being laid off, such as those to whom I have just referred.

Some hon. Members: Shame, shame!

Mr. Stevens: Let us put this into perspective—

An hon. Member: Shame on MacEachen!

Mr. Stevens:—because the same budget states that what the government once said it might do with FIRA is being postponed and that somehow it does not want to touch that whole question any more. I would suggest that there is something which must be rectified in this country if we intend to get people back to work, especially in the manufacturing sector. Surely, even this government will acknowledge that there is something which is not equitable, considering the fact that Mitsui, the 39th largest company in Canada, has \$1,541 million worth of sales in Canada, and yet it employs only 140 people. To put that into perspective, we find that the 38th largest company in this country, Defasco, does an almost identical amount of business in Canada, and employs 14,100 people.

Can Your Honour tell me why, on the one hand, it is consistent to say that if one wants to open up a manufacturing plant in Canada one must go through a lengthy process of investigation and screening, running the risk of being eventually turned down, but that if, on the other hand, one simply wants to manufacture the items any place else in the world and ship them to Canada, that is free trade? We like that, notwithstanding the fact that very few Canadian jobs result from that activity.

The Budget—Mr. McCain

● (2030)

Unless this government starts facing those realities, we will see not just a recession, not just a great depression, but we will see the greatest depression that Canada has ever had. I think it is time that we did our best to bring the government to its senses before it is too late.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, this debate might better be termed a wake. There are some of us at least who have some perception of what discouragement this new tax structure extends to Canada's most ambitious people, whether they are in the work force or self-employed, whether they be earners or producers of jobs. The whole crew in Canada received a discouraging message when it got this budget.

I was rather interested in a document which was leaked not too long ago, and I would like to quote from it. We read that much of our industrial capacity in Canada, no matter where its location, is fast falling behind the rest of the world in improving its productivity.

This morning we had an opportunity to talk to some people who are instrumental in creating jobs in Canada. I am referring, of course, to food processors. I have discussed the subject of our food processors on many occasions in this House. On each occasion I have had to say, regretfully, that if any new investor in this country had money on which he wanted to get a return, the food processing industry would probably be the last industry in Canada he should choose on which to spend his money. The existing processors came in under a climate much more favourable than the climate presently in existence. In this budget, the food processors got an additional kick in the teeth because they conform to the definition of the public servants who made this recommendation and the notation that the industrial capacity no matter where in Canada is fast falling behind the rest of the world in improving its productivity.

In this day and age if you have a 2.5 per cent profit you cannot keep pace with the requirements of modernization and replacement. What happens? The tax rate goes up and depreciation goes down without any incentive whatever extended to this important group of people to conduct the necessary modernization. There are farmers or farm-oriented individuals from Ontario who sit in the government caucus. Surely they must get the message loud and clear that the processing industry will suffer. This industry is vital to people in Ontario as it is vital to the people of New Brunswick. If they do not suffer, the farm producers will. But in every case the consumers will suffer. If ever anything was inflationary with respect to the price of food, it is this government which has removed any encouragement to the food processing industry to improve its capabilities.

I want to warn those same people in Ontario because there will be further GATT negotiations in the next 18 months. If we are as generous to all other countries in the world as we were in the last series of GATT negotiations, the farmer and the processor will suffer seriously from the trade considerations which will be extended to other countries in the world