

Employment Support Bill

Where will the funds come from? So that the program can be launched without delay, the bill provides for the appropriation of the funds required from the Consolidated Revenue Fund, namely \$80 million for grants and \$300,000 for administration purposes.

• (3:40 p.m.)

We all hope—the Minister of Finance the first one—that this amount will be too much, that the surcharge will only last a few days and that the funds will thus remain in the Consolidated Revenue Fund.

An hon. Member: Ha! Ha!

Mr. Pepin: I am not trying to be funny at all. I apologize if I unintentionally . . .

Mr. Lewis: Not if it drags on a few years.

Mr. Pepin: I hope so. Nobody can prevent me from hoping.

Those funds will be sufficient for the remainder of the current fiscal year. If the American surtax is maintained beyond the stated period, additional funds will be obtained through the regular estimates of my department.

The bill specifies that a report on the administration of that legislation must be tabled each year before Parliament.

In conclusion, Mr. Speaker, I would like once again to stress the point that the program provided in this bill is temporary. It will come to an end when the American surcharge is repealed. I do not suggest that the administration of the bill will be terminated, but that its application to the American surcharge will end with the removal of the surcharge itself.

I point out that under this program, the manufacturer must assume part of the burden created by the surtax. In our view, the government must not compensate the global effect of the surtax at the Canadian taxpayer's expense. There are risks in the export trade and Canadian producers are aware of them. Again, I repeat that exceptionally painful situations will be considered according to their importance.

The legislation does not aim at giving assistance to manufacturers who do not need any. Where a manufacturer is able to sell an appropriate volume of products and achieve a reasonable profit, in spite of the surtax, as when demand is sufficient or when the product is of a particular type, the granting of a subsidy shall not be necessary. In some cases, an amount inferior to the maximum subsidy available will be sufficient to maintain the employment and production level in a factory.

This is a new program which has been quickly set up so as to meet a special situation. A combination of statutory measures and regulations provides a possibility to adjust the program according to experience and circumstances. We are prepared to do it.

[*English*]

So we have addressed ourselves in this bill to the best means available at this time of assisting Canadian producers whose prospects have been damaged, and, more particularly, of protecting Canadian jobs. Our United States neighbours are aware that in the circumstances in

which we find ourselves the Canadian government has been considering possible measures to minimize the damage to the Canadian economy. So this bill will not come as a surprise to them; they should understand the reasons for the actions we are presently taking.

I should also like to make it clear that what we are proposing to do can in no way be regarded as a solution.

Some hon. Members: Hear, hear.

Mr. Pepin: At least we get full marks for being frank. The assistance provided by this legislation must, by definition, be regarded as merely a short-term, temporary measure designed to minimize the damage. It in no way detracts from the need for the earliest possible removal of the surcharge which has been imposed against Canadian trade.

Some hon. Members: Hear, hear.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I shall try to master the new equipment as well as the House today. The minister has just explained the purpose of the bill before us, which is to mitigate the effects of unemployment caused by foreign import surtaxes and to assist industry which is adversely affected. The bill arises, of course, from the surtax imposed by the United States.

The minister, quite rightly, spent a good deal of time emphasizing that it is extremely difficult to be at all precise as to the effects of this surtax upon Canadian exports—which industries are likely to be affected and how many people may be thrown out of work. He indicated that the figures depend upon a great many factors. However, he did give us some estimates as to the exports and the types of employment most likely to be affected, depending upon the length of time during which the surtax remains in effect.

It is clear that unless effective action is taken by Canada, a good many of our exports will be curtailed and that men and women engaged in the manufacturing and processing of those exports will find their employment affected. Indeed, I suppose it might be said that the Minister of Finance (Mr. Benson) and the Minister of Trade and Commerce (Mr. Pepin) were the first exports we were unable to sell in the United States.

Mr. Pepin: They cannot afford them.

Mr. Stanfield: I do not know whether the Americans can afford it or not, but we cannot afford to have it happen to us.

I shall not go over the ground the minister has traversed. We must bear in mind when we are considering this bill that the surtax takes effect following a substantial increase in the value of the Canadian dollar in relation to the United States dollar, a factor which has already had the effect of weakening substantially the competitive position of the industries with which we are particularly concerned today. Clearly, the principle of the bill is that the industries concerned and the employees concerned deserve assistance.

The purpose of the legislation is very limited. The bill does not deal in any way with the difficulties which the industries concerned have already experienced as a result