

economy of Newfoundland is behind that of the rest of the country is compensated to some extent by the fact that Newfoundland gets the highest per capita grants under the equalization grants formula. The government is not, therefore, insensitive to the needs of Newfoundland and has made special assistance available to that province.

• (1700)

In passing I also want to mention to the hon. member that the Minister of Industry, Trade and Commerce (Mr. Pepin) was unable to be present in the House for this debate today for the very good reason that he is attending the Standing Committee on Finance, Trade and Economic Affairs which is dealing with the bill on foreign takeovers.

I want to say something too, about the points raised by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). He dealt, as usual, with the subject of unemployment. The Minister of State for Science and Technology (Mr. Gillespie) has fully replied to his comments on unemployment, and has reminded the House that Canada is indeed a very fortunate country in that we have had the highest rate of employment growth of any of the western industrial nations. Our employment growth rate is about double that of the United States. It has not been a failure of government policies on incentive programs that has resulted in high unemployment in Canada. The hon. member knows, as well as everyone else in this House, that unemployment is caused by the fact that we have a very high rate of input into the work force. It is not a failure of the incentives programs. If it is a failure of anything, perhaps it is a failure of our birth control programs 20 years ago.

I want to comment on the hon. member's remarks concerning Dominion Aircraft of Vancouver. He said he was not familiar with the technical aspects of this application. I want to assure him that he is right, that he is not familiar with the technical aspects but that did not discourage him from commenting very fully on the application. I want to tell him that his facts are wrong. The government does not discriminate against the province of British Columbia on the applications of aircraft companies for assistance. I want to remind him of the Trident aircraft that is in production in Vancouver at the present time as a result of incentives offered by the government to that company, and as a result of a good deal of special assistance given to that company in order that it might make an effective application under the PAIT program. So, Mr. Speaker, it is not a matter of where a company is located in Canada, and I resent the fact that a British Columbian would stoop to that kind of thing in this House. I resent that he would use innuendo of that kind to suggest that a company from some other part of Canada would get assistance rather than a company from British Columbia.

The hon. member went on to say that small businesses are not getting their fair share of the incentives programs. I have some figures in front of me and I want to refute that statement. Here are the figures under the PAIT program. This is for companies with volumes of sales under half a million dollars. Under the PAIT program, 19 per cent of the grants have gone to companies with sales volumes under half a million dollars. These are small companies. Under the PEP program, 7 per cent of the grants have gone to companies with sales under the half a

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million dollar volume. Under the IDAP program, 41 per cent of the grants have gone to companies with volumes of sales under half a million dollars, and under the GAAP program, 19 per cent of the grants have gone to companies in that range. These are respectable figures which thoroughly refute the point which the hon. member for Nanaimo-Cowichan-The Islands attempted to make. It is not a point that he can make. It is not substantiated in fact.

I want to comment on another point that the hon. member made, and which he reported to the House with his usual lack of accuracy, that small businesses in Canada pay the full tax and do not get any special benefits from the government. I want to remind him of the special tax incentives that are available under the budget passed a few months ago, which provide that small companies pay a 25 per cent income tax up to the point where they accumulate profits on their books of \$400,000. This special incentive was put in for the benefit of small companies and small companies only, to allow them the opportunity of accumulating profits within their businesses, in order that those businesses could expand and become big businesses.

I also want to comment on the points raised by the leader of the Social Credit party. He spoke about a special program that the government used last year to combat the U.S. surtax. He remarked that the program had been in effect for 1½ months. I want to tell him that that is not accurate. The surtax program in the United States was in effect from August 16 last year to December 19 last year. The hon. member went on to say that the government is still making payments under this program. I want to tell him that that also is not true. The payments were finished as of April this year, and the reason they were continued to that point was that all payments were made after the end of the benefit period. It was necessary to determine whether a company had lived up to its commitments on employment before payments could be made.

In passing, I would like to tell the hon. member about eggs, and to correct the record. He made some comment about eggs being imported into Canada at over \$1 a dozen. This was for good reason, Mr. Speaker. The reason they are imported at a price of over \$1 a dozen, and some eggs are imported at \$5 a dozen, is that these are eggs that are used for breeding purposes. They are not available in Canada, and they are imported to improve breeding stocks for Canadian farmers.

Now, I wish to deal with some of the incentives programs offered by the Department of Industry, Trade and Commerce to show the effect they have had on the economy of Canada, the employment they produced, and the increase in business that we have been able to determine has resulted from these very effective programs. The mandate given to the Department of Industry, Trade and Commerce has been to promote the establishment, growth and efficiency of manufacturing and processing industries in Canada, to contribute to sound development and productivity generally, and to foster the expansion of Canadian trade. This mandate recognizes that efficient, productive and economically viable industry is the cornerstone of secure long-term employment.