

Employment Support Bill

• (4:40 p.m.)

Where is the sense in that? Where is the sense in undertaking a policy that will strengthen the hands of the subsidiaries of multinational corporations and increase Canada's dependence still further on the American economy. I say that, Mr. Speaker, because what President Nixon's action and the anticipated results of it underline is the dependence of our Canadian economy of that of the United States; is the fact that we are not a free economy, economically speaking; and the fact that we have permitted—consecutive Liberal governments in their continentalist love have permitted—a situation in which 70 per cent of more of our exports to go one market, the United States, directly as a result of the foreign ownership of our resources and of branch plants of multinational American corporations right across the country. We have permitted our economy to be placed in that straitjacket, and of course we feel helpless. If we do not take measures now to correct the situation, if we do not take advantage of the situation that has been created and deal with our economy on a long-term basis, so as to free it from its dependence on the United States and from American control and diversify our trade across the world and find new, additional markets for our products, we will see in three months, six months, nine months or one year from now either a continuation of the surtax or some other action taken by the United States in order to protect its interest. That is why, Mr. Speaker, on behalf of my colleagues and of the New Democratic Party, I have time and again, as have other colleagues of mine, emphasized the need for immediate action to deal with these over-all, long range problems.

Before I deal with them let me repeat this, so that there is no misunderstanding. If the minister had produced a bill that would really assist working people in Canada on a long term basis, a bill that would really assist them and not show any danger of mainly assisting the profits of companies; if it were a bill that dealt with the situation as he described it, so that all the jobs that would be displaced might be dealt with by the bill; and if there were any suggestion in the bill or in any statement of policy that the government would simultaneously undertake other measures to deal with the economy as a whole, we should have a different situation. But that is not what is before us. In my view, what is before us is an economic abortion, the consequences of which we cannot foretell, the effect of which we cannot know and the direction of which it is impossible for even the minister to describe. It is an \$80 million handout in some direction that may have a slightly desirable effect on employment. No one can guarantee even that. That handout will do nothing to underpin the Canadian economy. For that reason, we have to take a very careful look at the bill to see whether it is worth supporting. Also, in major part, Mr. Speaker, we should determine whether or not this parliament ought to give the government the chance of getting out from under its own economic policies and the opportunity to blame President Nixon for an unemployment situation which, in 99 per cent of the case, is its own responsibility and the result of its own policies.

[Mr. Lewis.]

We suggest, Mr. Speaker, that the government ought to go forward immediately with policies that will do something both in the immediate future and in the middle and long term. One of the first things it ought to do, in our submission, is to take active and energetic steps to reduce interest rates in Canada. That would achieve several purposes simultaneously. First, it would stimulate the domestic economy. A serious reduction in interest rates would have an immediate effect on housing and construction of every sort, and there is no faster way of creating jobs than by stimulating housing and construction of every sort. Second, it would stem the flow of foreign capital into Canada and make it unprofitable for foreign investors to seek the Canadian market. Heretofore our interest rate has always been higher than the American one. Also, there would be the opposite and converse move of having Canadian capital flow out of this country. The effect of foreign capital being discouraged from coming into Canada and of Canadian capital being encouraged to go out of this country would be this: it would quickly depress the value of the Canadian dollar in relation to the American dollar and that would have an immediate and salutary effect on all our exports, not only those affected by the 10 per cent surcharge, but others as well.

We suggest, secondly, as we have done before, that the moment President Nixon announced his policy, this government ought to have established a monitoring agency such as was proposed in the Watkins report of 1968 and such as was proposed by the external affairs committee of the House of Commons, of which the hon. member for St. Paul's (Mr. Wahn) was chairman and of which I was at that time a member, in order to ensure that Canadian subsidiaries of American corporations do not transfer production to their parent companies in the United States and, for that matter, to produce serious regulations and laws which would keep those companies producing in this country rather than transferring their production elsewhere.

The time has come for us to have the courage to pass serious regulations and serious laws to achieve just that. At least such a monitoring agency, with the necessary powers to obtain information, would be able to tell us whether that is happening. Such an agency ought to be able to say whether or not production and jobs are being transferred to plants of parent companies in the United States.

Thirdly, Mr. Speaker, we have said, and in this I agree with the Leader of the Opposition (Mr. Stanfield), that there ought to have been and that there should be now very substantial tax cuts, particularly for low income people, in order to increase aggregate demand in this country precisely in the area of those people who, because of their small incomes, spend every cent that they earn. There ought to be those tax cuts for low income people. Since those cuts have not been introduced until now in sufficient measure, they ought to be introduced now as part of a parcel of policies to deal not only with the immediate situation, but with the general, overall situation of our economy.