

Proceedings on Adjournment Motion

scarcely be said to be small. Furthermore, it is not at all a Canadian-owned company. The major shareholders of Duplate of Canada in 1966 employed some 38,000 people, had sales in excess of \$900 million and assets exceeding \$600 million in net worth. The Canadian company has parents which on the international scene are by no means small.

For a number of years the Duplate Company has been producing glass products for automobiles in Oshawa. Last year this government awarded \$868,845, under the Area Development Incentives Act, to Duplate of Canada so that the company could build a new plant at Hawkesbury, Ontario. Hawkesbury, as hon. members no doubt know, is in a designated region. The new plant opened on May 1.

What were the results of the government's subsidizing the new plant to the tune of nearly a quarter of the total capital cost? The immediate result was that in the Oshawa area we lost 300 jobs this fall. A secondary result was the employment of slightly more than 100 people in the Hawkesbury area at rates that are between 25 cents and 56 cents an hour less than those paid by the same company to its employees doing the same work in Oshawa.

Mr. Gilbert: Shame!

Mr. Broadbent: Just over a month ago the same company hired a third shift of 54 people in the local area on the basis that they would be employed for some time. In fact, the company employed them for exactly one month before laying them off on November 8. So much for the reputation of this company as a reasonable and considerate employer.

What are we to conclude from all this? The conclusion is that the government has simply transferred unemployment from one part of the country to another. Second, it has done so by making public funds available to a foreign-owned corporation which really had no need of them. It all amounts to an example of dreadful economic planning by the government. There can be no excuse for a measure of this kind. If we are told that this was done under the terms of an old bill which is no longer part of the government's program, I can only say it is a completely inadequate answer. The bill has been criticized time and time again and it should have been amended when the first example of its misuse was pointed out. The government should not have waited for disaster to strike in individual

[Mr. Broadbent.]

homes either in my constituency, as in this case, or elsewhere. The bill should have been revised at once. Perhaps it should not have been put forward in the first place.

The situation to which I have drawn attention raises serious questions with regard to the discretionary power which has been given to the minister in the new legislation. I look forward to hearing what excuses or reasons the government can put forward in explanation of this kind of bad and reprehensible economic planning.

[Translation]

Mr. Rosaire Gendron (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, in reply to the hon. member for Oshawa-Whitby (Mr. Broadbent), I should like to point out that there is no connection between the subsidy granted by the government in order to promote the industrial development of this company located in a designated area, and the laying off of a number of employees in Oshawa, for the following reasons:

a) In 1967, the company decided, in order to meet US competition and to take advantage of the new Canada-United States Auto Pact, to rationalize and streamline its production.

b) In Oshawa there was not enough space available to install new rolling mills so the company had to move anyway to a new location where it could carry on its operations. The ADA program was designed to urge the company to move to a location where the employment rate was low and such was, precisely, the purpose of the program.

c) Right at the beginning, the company informed the union of the workers affected by this decision and offered them the possibility to settle in Hawkesbury. Twenty-five employees took advantage of this offer and 50 to 60 others went to Oakville and Windsor for the same company which was also modernizing its plant in those cities.

d) This new project resulted finally in reducing the staff by 75 workers in Oshawa because of the setting up of this new plant, which would have taken place in any event with or without any federal contribution to help these underprivileged areas.

e) Recently, the company laid off a far greater number of employees but this was due to a considerable reduction in the production of automobiles. It seems, however, that these are temporary layoffs which have nothing to do, besides, with the construction of the new factory in Hawkesbury.