

*Employment Support Bill*

In the context of the American measures, for instance, the grant will generally amount to two thirds of the applicable surtax on the U.S. exports of the plant, on the basis of the 1970 exports. Grants will be established and paid on the basis of three-month periods as from August 16. The assistance given under this program will be ended at the time the American foreign import surtax is removed.

The next question deals with the eligibility for assistance. This is a very important matter. There are at least three criteria that a company must meet in order to benefit from the assistance given under the program as it is devised in the context of the American measures. At least one of these criteria is to be found in the Act itself. Two others will be found in the regulations. I already see that opposition members can hardly wait to voice their objections.

Some will say: Why not have embodied all those criteria in the legislation now before the House? Then I can simply ask my hon. friends to think a little bit more about the problems to be faced.

In general legislation, is it possible to foresee all particular situations when we do not even know what will be the specific reason to invoke the general legislation? I think that in all logic, French or English, it is impossible to predict everything. It is also unfeasible to include all shades of meaning in general legislation. The detailed implementation will have to be left to rules or to the administrative board. In the present case of the American surtax, for instance, it may very well happen that one exporter has no record, no previous experience to use as a claim basis. Why? Simply because he was not exporting last year while yesterday, today, he held or is holding real contracts with American importers. It may also be that the plant did not exist last year. It is therefore evident that quite a lot of discretion must be given to the board, precisely in order that it may make the adjustments between the legislation and the particular situation to be remedied.

I therefore go back to what I was just saying. The legislation includes a criterion for eligibility: that lay-offs in the plant based on compensation be—I don't know whether that is a good word in French—that they be "significant", in other words that the number of lay-offs should be quite significant. I expect recommendations to the effect that I accept the criteria embodied in other legislations, namely that lay-offs must involve some 10 per cent of the staff, or at least 50 employees. We thought of putting a provision of that nature in the legislation and the regulations but after thinking it over we felt this minimum might be too high in several cases. So, instead of making a general rule that would be changed five times a day, I think it would better to rely on the intelligence of the members of the Board. I know that at the committee stage there will be discussions on that between the two large categories of minds that make up the world, the absolutists and the relativists, and I foresee conflicts in the style of Corneille between certain members on that matter.

Two other criteria will be included in the regulations; in order to be eligible for assistance, 20 per cent of the plant's production must have been exported to the United States. According to the third criterion in the regulations and the legislation the company will have to maintain

employment and production at satisfactory levels in that plant. It will be argued that this is another vague concept, and my answer is that there is no other way out. Is it actually possible to require that the level of production be the same as during the basic period of entitlement? Is it possible to say: in 1970 your production was equal to 100 and in 1971, you should be able to produce that same amount of 100 with the same number of workers. It would not be very bright to say so. This is why we have specified: "at satisfactory levels".

It could happen that the industry concerned has undergone some rationalisation or automation process and it would not be possible accordingly to compel such a company to maintain the same number of workers as were employed during the basic period of entitlement. Once again, my hon. friends will have to take into account the hard facts of life to accept the degree of flexibility which must characterize this legislation. Being men of goodwill, we will likely reach some agreement.

There is another clause very dear to the Minister of Agriculture (Mr. Olson) in particular, namely clause 14, which reads as follows:

The Board in considering an application by a manufacturer for a grant in respect of a plant or otherwise shall take into account all relevant factors including

(a) the levels of employment and production at other plants in Canada of the manufacturer or of any persons associated or affiliated with the manufacturer . . .

If a company which is eligible on the basis of production and employment in a given plant transfers the production of another plant to another country, this will be taken into account. I believe that the purpose is self-evident.

Subclause (b)—which is dear to the Minister of Agriculture—reads as follows:

(b) the prices paid by the manufacturer to suppliers for goods that enter into the cost of production of the manufacturer.

In other words, the price which the producer will pay to his suppliers will be taken into account. Why is that? Because you might just run into a shrewd businessman who will take advantage of the American surcharge to obtain cheaper prices from his suppliers while trying at the same time to obtain the grant provided by the legislation under study. We would not want this to happen.

Now, who will administer the legislation? The bill provides for the establishment of an employment support board. The Board will be made up of seven members, three of whom will not be civil servants. This decision reflects the present government policy of having well-known and respected industrialists or businessmen involved in the administration of those programs, especially those that require a high degree of judgment and discernment. Not that civil servants do not have those qualities: on the contrary, they do have them but in another way.

The Board will be such that it can work in two groups, in two "panels" as Lafontaine would say, if the work load demands. At least a thousand requests are expected within the next few days after this legislation becomes effective. It may well be that the Board will have to sit in two panels simultaneously.