

will be here today and gone tomorrow. It is like a magician with a rabbit; it is gone. The board is to adjudicate as to who will get the money. They tell us not to worry about the formula. They will go to cabinet one day and pass the regulations. There is no indication what the formula is to be. It is to be handed to a board to be jockeyed about in a political manner in the hope of saving this government. It will take more than that to save this bungling government. The public is pretty knowledgeable now about the economic weaknesses of this government.

The *Montreal Gazette* says that even in the days of the uncertainty, bungling and retraction of Pearson, the government was never in the position it is in now. It cannot operate and govern this country. This newspaper speaks for many people across this country. It is time for a change now. It will not be very difficult to sell that to the Canadian people.

Mr. Perrault: Make it political now.

Mr. Wooliams: I would not do that because we know you are a statesman. In conclusion, I would say we should be now working toward a North American common market that would work out some of our economic problems in the same manner as the European Common Market has. This could not be done overnight. We should bring in immediately tax incentives and tax cuts for industry. If this program is to work at all, there should be enough money put into it to save the jobs of Canadians. In fact it should be sufficient not only to save the jobs which exist now but to get industry moving so that it can give jobs to the 500,000 or 600,000 people who are now out of work in Canada.

Had I had this kind of argument from the Minister of Trade and Commerce (Mr. Pepin) or the Minister of Finance (Mr. Benson) I would have some hope of a solution to this problem which the government created because of its relations with the United States. We have heard the Minister of Finance, but we cannot accept or believe one word. He has never been right in one of his predictions. His credibility gap is as wide as the mouth of the St. Lawrence. We know why the hearty, good-natured Minister of Industry, Trade and Commerce was asked to pilot this bill through the House. The government knows that no one in Canada could accept the predictions of the Minister of Finance with reference to the Department of Finance or with reference to acceleration of trade. Thank you very much, Mr. Speaker.

Mr. Barnett J. Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I hope some of us still have our eardrums intact. To try and put things in context, I should like us to think back to our concerns in the weeks preceding President Nixon's startling announcement of his emergency economic measures. Our economy was sluggish. We had come through one of the most difficult periods in postwar years. We had been largely successful in containing the rate of inflationary acceleration but were, as we are still, enduring an unacceptably high rate of unemployment. We were, however, seeing some signs of hope, some rays of light.

The recent expansionary budget and the announcement of the tax reform proposals had removed a great deal of

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uncertainty which previously prevailed and permitted business to plan with a greater degree of certainty and optimism. The vast majority of Canadians could look forward to lower personal taxes. Those unemployed would benefit from legislation which would provide substantially improved benefits. Old age pensioners without significant supplementary income and pensioned veterans were beneficiaries of more generous benefits—benefits somewhat closer to those a society as affluent as ours should provide, though still less in many cases than what was needed or we would wish. The tax reductions to senior citizens and all in the lower income groups, in addition to the increases in pensions and other benefits such as those mentioned, and others proposed such as increased family allowances, would inject hundreds of millions of immediately disposable dollars into the economy, which would give much needed stimulus.

An hon. Member: Author?

Mr. Danson: The author is speaking. There were real signs of change in the economy. It was somewhat spotty and a bit hesitant, but, in my foray into the real world away from Parliament Hill during the recess, I encountered many encouraging signs—a cautious optimism and some indication in many areas of a genuine turnaround. The construction industry, stimulated by a major and highly welcome improvement in housing starts, perhaps the most effective stimulus to economic growth, was, and is, increasing activity in a multitude of supplier industries and those others which benefit by increased housing occupancies.

Business generally had survived a most difficult year with leaner inventories and more efficient operations forced on them by the pause in what had been years of unprecedented growth. It was in a position to expand more efficiently and thus competitively in export markets and against imports. It was, and is, ready to respond to the consumer demand released by the benefits and tax reductions, as well as the easing of the purse strings on the immense savings of cautious and prudent Canadians which had accumulated in the fight against inflation and in the less buoyant and less optimistic economic climate. Canada had, relative to other nations, come through well, though not without cruel costs in employment.

There was, however, Mr. Speaker, one great source of concern. This was an external concern over which we had no significant control, namely, the health of the American economy. Their inflation remained unchecked, as did their rate of unemployment increase. One could not detect the elements of hope in their economy that we could in ours. Indeed, they faced a crisis which could plunge them into an even more serious recession and drag us down with them. This would happen, I believe, regardless of the degree of their ownership of our industry. It can and will happen at any time, simply because their economy is so immense, because they are by far our major market and the health of their economy sets the tone, to a significant extent, for the entire western world.

• (4:10 p.m.)

This is not the time to engage in chauvinistic and totally unrealistic temper tantrums. Neither is it con-