

tax cuts affecting manufacturers both large and small and by special writeoffs to encourage them to become more efficient by buying new machinery and equipment.

I join with the Minister of Finance in inviting the manufacturers of this country to show that they are equal to the challenge. Canada is recognized as one of the more advanced industrialized countries in the world. We have a highly trained labour force which becomes more skilled day by day. Manufacturers, through their association, have made representations to the government for lower taxes. They have said they were at a disadvantage in comparison with companies around the world which they claimed were paying lower taxes. The government has now responded. It has done exactly what they asked the government to do, increased tax incentives by lowering the corporate rate of tax. I believe that they will respond.

• (1540)

I am one of those, also, who believe in co-operation between labour and management. I believe, as does the Minister of Finance that the manufacturers will respond to this challenge. I know I can associate myself with the Minister of Finance by saying that I expect the labour unions of this country will also respond to this challenge. This is not a case of a contest between the manufacturers and the labour unions; this is a case, it seems to me, of the labour unions and their employers in this country joining together in the urgent task of creating more jobs. This is a time for all parties, for all economic groupings, business and labour alike, to join together, to ensure the success of this battle for jobs in manufacturing and processing. It is not going to be won if the manufacturers and processors use these tax cuts simply for the purpose of increasing earnings and dividends. It is not going to be won, either, if those tax reductions are translated quickly into cost increases in the form of wage increases. It is the government's purpose, and I think it ought to be the purpose of everyone involved, to use these tax reductions to make Canadian goods cheaper—that is, to produce them more cheaply so that we can create more jobs. This, it seems to me, is an endeavour in which there should not be any differences of view, either in this House or as between management and labour.

I read the comments of the financial critic of the NDP and the hon. member for Oshawa-Whitby (Mr. Broadbent) about the DISC and about the necessity for taking action to meet the threat posed by that piece of mischievous American legislation. They concentrated their attention, it seems to me quite wrongly, on retaliation by Canada. Perhaps we shall have to take action if it can be shown that imports from the United States under the DISC are being unfairly subsidized. That remains to be seen. But it is typical, it seems to me, of the negative attitude of the NDP, that they fail to see that the threat posed by DISC is in foreign countries as well as here, at home. This threat cannot be met by imposing a levy on imports into Canada that are subsidized under the DISC or under any other program. That threat can only be met by giving our manufacturers and our processors some positive encouragement to compete on more equal terms with United States exports in foreign markets.

Obviously, however, this kind of encouragement to corporations runs counter to the philosophy of the NDP.

The Budget—Mr. Sharp

Sometimes I think the NDP believes that the world is divided into corporations and individuals. Taking that point of view will not be enough. Surely, the logic of the position taken by the NDP is this: That party says, "Because we are opposed to any help to corporations, we are prepared to forgo the possibility of becoming more competitive and of increasing the opportunities for ordinary Canadians to work in producing goods for the home market and in producing goods for export." At one time I thought that the NDP was beginning to abandon the sterility of its doctrinal position. However, I read in the budget debate in this House just the same old stuff. It looks to me, Mr. Speaker, as if the NDP has once again turned or returned to that tired, old discredited line that has so little relevance either to the modern world or to modern Canada.

We are all familiar with the nature of the competition Canada faces around the world. As Secretary of State for External Affairs, I have had some opportunity to see the problem at first hand. I have talked to officials and governments around the world about the problems that are being faced by them and by ourselves. I can say this, based on my own experience, which I am sure is confirmed by the experience of most members of this House: We are not going to have an easy time. We are in a battle with giants—with the United States, with the new Europe and with Japan. But we are not without weapons in this battle. Canada is one of the great store houses of natural resources and energy which other countries will increasingly need and want. Our bargaining position is not minimal. Our labour force is becoming increasingly skilled. Our reputation abroad is good and we have that advantage that has not accrued to those giants, namely, that we are less suspect in international marts than they are. So, we have some advantages.

We have been exploiting these advantages in all directions by building up those relationships, political and economic, that ensure our producers of fair access to markets and fair trading rules. There never before has been such activity going on in negotiations between Canada and the United States, between Canada and Europe and between Canada and Japan. This has been a time of the most intensive activity, political and economic; we have been trying to establish and maintain rules for access by Canada to those markets.

Mr. Stanfield: Have they been very fruitful.

Mr. Sharp: Yes, Mr. Speaker, very fruitful. There has been the biggest increase in exports in the last three or four years that this country has ever seen.

Mr. Hees: Obviously, the minister is talking only about the United States and ignoring the rest of the world.

Mr. Sharp: Here I must compliment my cabinet colleague, the Minister of Industry, Trade and Commerce (Mr. Pepin) who is not in the House. I feel that he has been the most effective minister to occupy that portfolio,—

Mr. Hees: The rest of the world is down, Mitch.