

indeed, the people in Washington do not know, says he. Mr. Speaker, let me stick my neck out and say that as far as I can judge economic situations at all and the situation of the United States of America, so long as that country continues its war in Viet Nam the likelihood is that the surtax or something similar will last a darned long time. Indeed, the administration in Washington could do more for its own trade and balance of payments position in one week by withdrawing its forces from Viet Nam than all the policies it has undertaken to hurt the rest of the world.

I say that there is no guarantee by Washington that this is a temporary measure. The particular means may be temporary but the situation of the United States of America will remain for a long time with regard to its balance of payments problems and trade problems. These will remain as long as it is involved in Southeast Asia to the extent that it is involved now, because its economic and financial commitments to the execution of that war are as much responsible for its monetary and balance of payments problems as any other one issue. There is, therefore, no guarantee at all that the measures taken by Washington are temporary. There is therefore no guarantee that this is a temporary emergency measure. If it is the intention of the government to maintain this kind of grant system to industry for as long as the 10 per cent surcharge remains in the United States or something similar then I say, Mr. Speaker, that this House and the people of Canada do not know for how long these hand-outs to industry will continue and how much good they will do the economy as a whole.

The Minister of Industry, Trade and Commerce did not tell this House and the people of Canada what it is intended that the companies who receive these grants should do. When they get a grant let us assume that they keep people at work—an assumption that I think is a little dangerous in every case—but let us assume that. Goods are produced but what is going to happen to those goods? The company is either going to ship them to the United States at a reduced price to offset the 10 per cent surcharge—in which case the Americans will probably do something because it is in a sense retaliating against or countervailing the action they have taken; it would nullify the action they have taken. Or the company will pile up its inventory of goods and not sell them and, therefore, be in a position to depress the wages of workers at a future date by saying, "If you want to strike, go ahead, as we have enough inventory for a few months." Thirdly, it may use the goods produced by the subsidy for sale on the Canadian market. This will be unfair competition with the firms that did not receive a subsidy.

These are the only three alternatives possible, unless the money is pocketed and nothing is done. If jobs are kept and goods are produced they will either be exported to the United States at reduced prices or sold on the home market. If sold on the home market at reduced prices they will have an unfair advantage over firms that did not receive a subsidy. This may keep 8,000, 9,000 or 10,000 jobs in one sector of the economy and create unemploy-

ment for 8,000, 9,000, 10,000 or 15,000 workers in another sector.

Mr. Speaker, that is precisely the kind of policy this government has always carried out; this patching up, this day to day ad hoc patching up of a situation may do a little bit of good here, but invariably produces more bad elsewhere in the economy. This is what DREE does. It sets up a pulp and paper company in the west and cuts employment at the Bowater plant in Cornerbrook Newfoundland. It is merely an answer to some application by a huge multinational corporation which appears to be doing some good by creating jobs in Saskatchewan, Alberta or Manitoba but the result is to cut down jobs in another part of the country. What sense is there in that? What sense is there in having a policy which will enable a small number of firms to take advantage of the public treasury perhaps at the expense of other firms and at the expense of the jobs of other Canadians? There is no sense in it at all.

If the crisis is what the minister suggests, then we ought to have the guts to say to the United States that we will not allow this kind of unemployment in our country to flow from their policies, even if it means diverting Canadian production to the Canadian market and making sure that the Canadian market is available for those products—even if it means keeping out similar imports from elsewhere.

Some hon. Members: Hear, hear!

Mr. Lewis: We should have said to Washington, "We are not in a position of weakness where we have to go on our knees to you. You need desperately our oil and natural gas and some other things which you are short of." We should impose an export tax on exports like gas and oil, not on those which are in a competitive market but on those natural resources where we have a monopoly or some other stronghold on the market in order, if you like, to assist Mr. Nixon but certainly in order to raise the revenues needed in Canada to build industry, to build the economy and to assist the people of Canada to increase jobs in this country.

It is also significant, Mr. Speaker, and I have no doubt that this played an important part in the considerations of this government as it always does, that a very large proportion of the \$80 million that they ask us to vote will in fact go to subsidiaries of multinational corporations in this country. Everyone knows that. Everyone knows that a large proportion of the exports to the United States is by multinational corporations—about two-thirds of them. Everyone also knows that a large part of the export of manufactured goods to the United States consists of intra company exports or interplant exports, the exports from the Canadian manufacturing subsidiary to the American parent manufacturing plant. Therefore the Canadian people will, out of the public purse, pay part of the surtax that President Nixon has put on.