

Employment Support Bill

they may continue to buy Canadian products while our production system is almost solely based on foreign consumption. To export or to die. If we cannot export, we die in front of an abundance of Canadian products.

That is how the production system is set up. And as soon as other countries, either the United States or other industrial nations, raise tariff barriers to prevent us from "exporting" our unemployed, we are immediately faced with practically insoluble problems.

Instead of subsidizing Americans the Cr ditistes suggest, as did their leader in his speech during the debate on second reading, and as have done also other Cr ditistes, that we should subsidize Canadian consumption by removing the 12 per cent excise tax on manufactured products and the 11 per cent tax on building materials. Thus, we would increase the purchasing power of individuals who would be able, depending on their wishes and needs, to tell industry what to produce and in what quantities.

The government has three ways of arranging the \$80 million grant to the United States: first, it could collect \$80 million worth of taxes from taxpayers, which means that Canadian workers would have that much less to spend on essentials.

The \$80 million reduction in purchases would cause hardship to Canadian industries which would go out of business, thus creating unemployment, in the same way as if we were exporting less to United States.

There is another alternative open to the government if it does not increase taxes in the amount of \$80 million, that is to reduce other departments' budgets, tighten up credit, and reduce public works. This solution will also create unemployment. Therefore, the result is the same.

However, there is a third way: To borrow money. As a matter of fact, the government could issue bonds by borrowing \$80 million to subsidize the Americans. Then, there would be interest to be paid every year, during an undetermined period, on these \$80 million. Then, through income taxes, the government will go and get this money in the taxpayers' pockets in order to pay interests to those who will kindly finance this loan of \$80 million.

I remember reading the reports of the first federal-provincial conferences taking place in 1942. At that time, a former Conservative leader, the hon. John Braken, who was Premier of Manitoba, said something like: Our tax system is set up in such a way as to take money from the poor to give it to the rich.

As for those \$80 million, the government will not take them from the pockets of the poor. They will not be supplied by the lumberjack, nor by the miner, the farmer or the settler, nor by the construction worker, but by capitalists, high finance and trusts. But when it comes to taxing individuals to pay interests to the trusts, they will go to the common taxpayer and make him pay tribute to the capitalists who feed government loans.

I cannot approve that decision to solve the problem with which, among so many others, the government is concerned. I, too, like my colleagues, think that we should abolish the sales tax on manufactured goods, particularly those which come from the manufacturing industry. The 12 per cent tax should be abolished, as should, especially,

the 11 per cent tax on building materials in order that every family may be able to own its own home.

Then will we keep Canadian taxpayers and consumers happy; we will encourage renewed growth in Canadian industry, which will be an effective step toward the solution which all of us, I think, want to bring about in order to solve the unemployment problem in Canada.

In order to determine clearly which members favour an improvement in Canadian consumption, and whether we should be concerned primarily with keeping Canadians or Americans happy, we will call for a vote on third reading.

Mr. Roch La Salle (Joliette): Mr. Speaker, before the end of this debate, I would like to express certain thoughts.

I already had the occasion to say a few words about this most important bill. I believed in the goodwill of the government and that it would try to counteract the disruptive effects of the American surtax. Once again today, I heard some members address many criticisms to the government. I would like to reiterate tonight some comments about this surtax.

I think the government must do something. I think its efforts are valuable. Having listened to some members, it seems to me that the government is giving grants directly to the United States. Allow me to say that I disagree completely with these allegations. Unlike some of my colleagues, I think that corporations must be helped, even if they are controlled by American interests in Canada. Even if some members seem seriously concerned about this measure, industries located in their ridings will be very happy if they can benefit from the subsidies, which in turn will allow citizens to retain their jobs.

I have confidence in the bill now before us. Will this measure be sufficient to offset the difficulties which the American surtax will entail? This, I think, nobody can tell.

• (9:50 p.m.)

It remains, nevertheless, that when a minister proposes a measure, he proves that he is making an effort to assist Canadian industries, and God knows how much such help is presently needed. I think that this legislation should be supported and that it would be unkind to avail oneself of this opportunity to engage in petty politics about such an important matter. Of course, Canadian industries need government subsidies. I am wondering therefore why we are delaying so much the passage of this bill.

My comments will be very brief because I do not want to waste the time of the House, but I think that I had to put forth these opinions, not only to justify my position but to remind hon. members that a decision had to be taken. The government has submitted this measure and I believe we should pass it without further delay. I hope the government will not hesitate to add to or to increase its grants, if necessary, and I truly believe that we need one, two or perhaps three months to really determine the disruptive effects of the American policy on our industry.

I therefore dare hope that the government will not hesitate to grant additional credits if required. There is nothing in the bill that says that if the \$80 million are not enough, a further \$80 million will be added. As has been stated previously, these \$80 million will be certainly quite appreciated by the Canadian or foreign companies oper-