

Employment Support Bill

be increased as from January 1, 1971. Another exemption is to be given in January, 1972. I do not intend to go into details concerning the actual levels of the exemptions. I merely point out that this is all part of a package designed to stimulate the American economy and that Mr. Nixon has proposed that the exemptions be consolidated so that the whole series should take effect on January 1, 1972 rather than on January 1, 1973 as first envisaged. This will certainly add buoyancy to the American economy.

Perhaps the most interesting of the President's announcements from a psychological point of view was the decision to reduce federal expenditure in the fiscal year 1972 by \$4.7 billion through a 5 per cent cut in federal employment plus a six-months freeze on federal pay increases, further deferments in a general revenue-sharing plan and a one-year deferral of certain welfare program changes which had been advocated. Without going into detail as to the ramifications of this economic package presented to the American people by Mr. Nixon, I suggest to members of this House that it represents a point of demarcation in the post-war economic planning of the United States and that the free world is bound to react to it.

Whether we like it or not, the United States has been and will continue to be the leader of the free world in the economic sense as in most other senses. We can take steps to correct certain anomalies or deal with particular problems which may arise, but the economic facts are clear. The 10 per cent surcharge on imports is one of the lesser steps in the multi-faceted program announced so dramatically on August 15. I suggest to you, Mr. Speaker, to the Minister of Industry, Trade and Commerce (Mr. Pepin) and to his colleague, bumbling Ben, that we are faced with far more fundamental proposals, steps which are bound to have a greater impact on the Canadian economy in the long term. Again, I refer to the tax incentives, the creation of DISC, and so on. Thus far, however, our only reaction has been to the announcement of the 10 per cent surtax. No matter how knowledgeable or prophetic the Minister of Industry, Trade and Commerce may be, he will surely need a couple of weeks in which to react to a package of proposals and decisions which, evidently, was conceived and approved during a weekend at Camp David.

• (3:30 p.m.)

According to reports I have read, this program was conceived not by officials of any department in the U.S. treasury or trade and commerce; it was conceived, with some assistance from the federal reserve branch, primarily by politicians. Along with the economic impact the measure had, it was a very definite political package. I would contrast that fact with the reaction of this government, which thinks it can send officials to Washington, after the first pilgrimage of the Minister of Industry, Trade and Commerce (Mr. Pepin) and the Minister of Finance (Mr. Benson), to help explain the position of Canada in a situation that was, in effect, directed by United States politicians and which found its conception in U.S. economic problems.

This is one of the main objections I have to all the comments so far made about Bill C-262. Not that the bill is not good as far as it goes. The truth is that it provides very

little and does not go far enough. The fact is that it does absolutely nothing, I suggest, to exert even an infinitesimal pinpoint of pressure on the United States public, and thereby on the United States administration, to relax the 10 per cent surcharge as it applies to Canada, a country jointly involved with the United States in so many areas in which we are interdependent.

I suggest there is a good case to be made for the 10 per cent surcharge not applying unilaterally to Canadian exports. Following the August 15 announcement there was, at first, confusion in Ottawa. From looking at our television screens, it appeared that some ministers thought they had been ambushed by the new Nixon approach from across the border, even though every economist worth his salt and some finance ministers worth their ledgers had been saying for months that something had to give on the United States scene, that there was pressure on the U.S. dollar and changes had to be made. The criticism of the situation on August 14, 13, 12 and all July and June was: "Mr. America, you cannot maintain the position of the U.S. dollar; something has to give".

However, what did the Minister of Finance, the Secretary of State for External Affairs (Mr. Sharp) and the Minister of Industry, Trade and Commerce do? Not one tittle of energy or activity did they expend to go to the United States, not with cap in hand or bag in hand like the proverbial mendicant, and certainly not like cattle left out to pasture with the barn door closed on them, but like forthright politicians to talk to the Secretary of the Treasury. The Prime Minister (Mr. Trudeau) is able to go to Afghanistan, Yugoslavia and other exotic places in the world, so why can he not come down in the world a little and embark upon a mundane trip to Washington to find out what his opposite number is planning to do in a matter as fundamental as the economy?

After the initial confusion in Ottawa over whether there was going to be a cavalcade to Washington or whether there was not going to be a cavalcade to Washington and whether the Prime Minister was going to take some time off from his very necessary period of recuperation required to rejuvenate himself for the coming parliamentary battles, the Secretary of State for External Affairs appeared on television and declared that the Prime Minister did need a rest. However, the next day he announced that, with great reluctance, the Prime Minister had decided to cancel his trip and return to the capital to see what could be done.

Mr. Pepin: And where were you?

Mr. Nowlan: In my riding on parliamentary business, as I thought most members were in the summertime.

Mr. Sharp: The minister was here.

Mr. Nowlan: If I were a member of the government I would have been here, too.

Some hon. Members: Oh, oh!

Mr. Nowlan: There is no argument that when the heat is on in the kitchen and the pot is boiling, the chief cook should be there to make sure it does not boil over. No matter how sincerely members of the cabinet try to con-