

Employment Support Bill

advised the government in June that they would lay-off more than 500 employees, adding that the 10 per cent tax did not have anything to do with it.

The government—first, the Prime Minister followed by his henchmen—will continue to tell us that this unfortunate American tax is responsible for unemployment in Canada.

Last spring we had 800,000 unemployed and there was no 10 per cent surcharge by the U.S. Bluffs are made in an attempt to blame the Americans for what is happening in Canada. If a plant closes down, it is Nixon's fault. If Chicoutimi or Gaspé Peninsula newspapers report that a plant has been closing down three days a week for over six months, it is on account of Nixon! If mines are stopping their operations in my region, it must also be because of Nixon. There is no more ore; Nixon must also be responsible.

It is easy, Mr. Speaker, to blame the neighbour when one lacks the courage to take his responsibilities. This is where the government is failing in its duty. It lacks the courage to take its responsibilities. It presents us this unimportant bill to make us believe that an amount of \$80 million will sustain employment in Canada. They must be joking!

The government voted hundreds of millions, with the blessing of the Minister of Regional Economic Expansion (Mr. Marchand) and said: We shall succeed in controlling unemployment in our country. Let us see what are the results after three, four, five years of operation. ARDA in the Gaspé Peninsula has been a gigantic failure, as it has been throughout the province. In areas where funds could be usefully spent for the creation of new industries, the government is powerless and says no.

Mr. Speaker, I say that this is simply throwing dust at peoples' eyes. The \$80 million the present government wants to grant Canadian industries affected by the famous 10 per cent tax are only a bluff. The government wants a solution, but not the same one as the leader of the New Democratic Party who has just suggested imposing a 10 per cent tax on Alberta gas and oil.

It could be a 10 per cent tax on the operation of the Ungava iron mines, a 10 per cent tax on our textile products, on our raw materials, copper, zinc, etc. It could be a 10 per cent tax on our forestry operations, a 10 per cent tax on our hydro electric resources, because the Americans, as we know, need electric power and they can only get it in Quebec.

There is talk, as we know, of a five, six or seven billion dollar project at James Bay. Why? Because probably 75 per cent of the electric power produced there will be exported to the United States. It could be a 10 per cent tax, then we could wage an economic war against the United States. Our population numbers 20 million while there are 200 million Americans. That would be some war. In the United States, per capita production is probably three, four or five times that of Canada. Can we afford to fight, to play on taxation, when there is such a simple way to avoid polluting our international trade with the United States?

[Mr. Caouette.]

There is a simple way. I put a question this afternoon to the Prime Minister (Mr. Trudeau). Instead of granting subsidies to industries which are affected by the imposition of the 10 per cent American tax, why would the government not suppress the famous 12 per cent excise tax on products manufactured in Canada?

This would not only help manufacturers who export to the United States, but also the Canadian consumer who cannot now afford to buy goods manufactured in his own country. There would be no need to make monetary changes to achieve this. By suppressing the 12 per cent excise tax, we would favour international trade without prejudice to anybody; we would at the same time help our trade.

Yet, nobody suggests that solution. Instead they want us to get the bill ready. They give us boxing gloves and urge us to fight the Americans, to impose taxes on American importations from Canada and to go on taxing Canadians as we are doing at present.

Another tax whose abolition should have been provided for by the government in a Bill C-263, as this one does not make sense, is the 12 per cent sales tax on building materials.

● (5:40 p.m.)

We have been demanding for a long time the abolishment of the tax on building materials. At the present time, our domestic and external lumber trade is in an extremely poor condition. We have reached the point where large companies are closing down. The mills are hardly and poorly operating. We do not know whether they will still be opened in two, three or six months. Those companies will probably obtain grants out of the \$80 million mentioned in the bill. If the sales tax on building materials was withdrawn, the mills, plywood plants and others would get new orders in Canada. The members of the Social Credit know that Canada has an extensive production and that we will never be in position to consume our entire output. However, Mr. Speaker, it is possible to trade on an international level without penalizing the Canadian people and compelling our manufacturers, our factories, our industrialists to close their plants or to operate at a loss as is now the case. Every time a solution is proposed by the government it is aimed at increasing production but nothing is done for the consumer.

Mr. Speaker, as the title of the bill indicates, the purpose of this bill is

—to support employment—

not consumption, not to help Canadian consumers.

This legislation comes too late, because there was unemployment, I said it earlier, before President Nixon announced his measures. This is so true that everyone talks about it, even the papers. For instance, one could read in *La patrie* for August 11—before Mr. Nixon announced his measures—an article by Roger Lacasse in which he said that Canada's program is not Mr. Nixon's tax. The Minister Industry, Trade and Commerce said that these things cannot be foreseen. I say: to govern