

*Employment Support Bill*

One of the reasons for my uneasiness is that this bill is explicit; it is an act in support of employment. In other words, it is just another adjunct to the whole program of unemployment insurance and is not, as we pictured it, a bold and determined effort to sustain our industry when faced with the problem of the surcharge. I am concerned, Mr. Speaker, because this seems to be the main government thrust in protecting our industry from the obvious economic dangers involved. Coming as I do from a province where industry is vastly important, I believe I have reason to express some doubts that this measure will serve the purpose for which it was so hastily designed.

Testimony before the committee and following on the statement made by the minister in the House, make it quite obvious that the actual aid to industry in Canada is going to be limited by the very regulations that are proposed to be drawn up to make this bill operative. If my memory serves me correctly, when this measure was introduced in this House the minister said that in his opinion a survey would show that perhaps 160 industries would be directly involved. This figure, 160, does not mean very much unless you compare it with some other figure. The figure I should like to use is taken from a compilation by Statistics Canada which indicates that in 12 months 5,600 new industries were formed in the province of Ontario alone, if my memory serves me correctly. Yet, here, the minister has spoken of helping 160 industries in Canada. I was interested to learn that 2,300 or 2,400 of the 5,600 new industries I have mentioned will employ less than five people and that only 67 of that entire group will employ over 100 people. This indicates that there will be a tremendous number of companies which, although affected directly or indirectly by the surcharge, will have no hope of being "resuscitated" by the measure before us.

• (3:50 p.m.)

To illustrate my point, may I indicate that in the committee hearings the most striking phrase used by government spokesmen and witnesses regarding the application of this measure was, and this was repeated time and again, that this measure would be employed when there was a severe disruption of employment. They spoke of disruption of a regional nature. It will be difficult to assess whether a small industry employing, say, 20 or 25 people which loses 20 per cent of its business and has to discharge five or six people will suffer from a major disruption in employment. Actually, the parliamentary secretary explained, and I think he was justified in so doing, that disruptions of this nature might constitute problems connected more with employment agencies or unemployment insurance than with any problems as to whether such industries might qualify for assistance under this measure. That is where the government and I part company. It seems that this measure is specifically designed to help large corporate entities and a tremendous number of small businesses cannot hope to qualify.

Under the provisions of the bill there could be a 90-day delay in payments, even after the qualifications of the company involved have been ascertained. Mr. Speaker, that 90-day delay could be a matter of life or death to some of the industries affected. It is all very well to say that a company must lose 20 per cent, 30 per cent, or any

other figure that one cares to use, of its export business before it can qualify. The point is that there are many industries which are definitely and directly affected by the surcharge which do not, by themselves, export a single item. The production of many such small companies consists of component parts which are furnished to major industries. Those industries assemble the component parts and export them to the United States and other countries. It is difficult to anticipate how any company, so affected indirectly and employing a small number of workers, could ever hope to retrieve any portion of its business losses through this measure.

I feel that many hundreds of businesses across the country could be hurt by those actions from which we are trying to protect our businesses. The major business concerns of this country, which by their nature are big, will be in the position to claim some of these moneys. I do not think we fully realize the tremendous intrusion in the normal flow of business that measures such as we are discussing can effect. There are in the corporate empires many learned men who have foresight and drive enough to take advantage of a government measure such as this. I am very much alarmed about the way in which this bill will be applied.

During the committee proceedings, it was illustrated to us that a department of a corporation or a subsidiary of a corporation could put itself in the position of qualifying for assistance under this measure. I believe the parliamentary secretary indicated that there would be no strings on the money, provided the level of employment is kept up. The money could be used to develop major research, to develop new products, to develop new production levels and machinery, to develop a new sales force in lieu of a production force—in other words, to change the entire characteristics of the business. This is all very well if you consider it from a philosophical or ideal approach. Practically, however, you must consider the power of the labour unions in directing whether a man or men may be shifted to another part of the operation or whether a man can be taken off a lathe and sent to paint a fence in the back. All this makes me think that this measure, in certain situations, will have no application whatever.

Added to that is the general feeling abroad that the actions of the country to the south are temporary only. They may last for 90 days, three months, six months, 12 months or even two years. What bothers me is this: many large corporations in the business world with tremendous production facilities can take advantage of these grants to sustain employment and production levels by doing nothing else but stockpiling thousands and thousands of units. Nothing in this measure prevents a company from taking such action. After all, they would be maintaining employment; they would be creating employment that the government is so seriously concerned about. Consequently they will stockpile units, knowing full well, Mr. Speaker, that the surcharge will end eventually. Think of the beautifully competitive position such a company will be in when it has a tremendous stockpile of units, two-thirds paid for by government grants. It will be able to ship the units overseas to any country it pleases. I say this is a major weakness in the bill. The tremendous volume of