

Customs Tariff—Excise Tax Act

do not need. If we do not solve this problem of industrial efficiency, the cry will go up that the only answer is continental integration with the United States. It will be said that the oil industry, the potash industry, the pulp and paper industry and the chemical industry will have to be tied together with those in the United States so that we achieve a similar arrangement to the Canada-United States auto agreement.

There are a number of things wrong with proposals of this kind. First of all, integration of industry in this fashion makes it impossible for Canada to pursue a life of its own in that it represents a serious infringement upon the sovereignty of the nation. You cannot mate an elephant with a rabbit. In addition, the United States no longer wants this kind of marriage. The United States feels we have gained too much benefit from the auto pact, despite the fact that we are still producing fewer automobiles in Canada than we buy. In other words, we are still not getting what should be our real share of the North American automobile market. Nevertheless, there are cries of anguish from the United States that we have been given too much.

The United States does not have to worry about its sovereignty or about its culture being dominated by Canada. They see only the minor economic advantages that accrued to Canada as a result of the auto agreement. On the other hand, we have to look beyond small economic advantages to the future of this country as a nation. I suggest that if we have many more pacts similar to the automobile agreement with the United States, this nation will not have a future. Already there is evidence that the real planning and decision-making process in this industry is no longer taking place in Canada. It never really did take place in Canada, but to the limited extent that there was some autonomy in this country, even that has largely gone. Decisions are being made south of the border. The design engineering and planning is done south of the border. We in Canada are the humble assemblers, the willing workers; we are a sort of annex to the main office.

When things get a little tight, if a choice is to be made in the matter of development on this side of the border or on the other side, the choice will be quite obvious to head office: they will favour locations in the United States. We will continue to be at the mercy of this kind of arrangement until we develop as autonomous an industry as it is possible for us to have free of all integration schemes.

Another aspect of this problem is, as I have said, that there will probably be no more of these arrangements. The United States is in fact saving us from ourselves. It is the United States that is now unwilling to enter into further co-operative agreements of this kind. This is rather fortunate, since our government shows little concern about the future sovereignty of this country.

If we are going to take our rightful place and create the kind of wealth necessary in a society like ours, one that wants to do great things for its people and for other nations as well, we must improve production efficiency. It is quite obvious that the Canadian entrepreneur has not been able to stand up to the United States way of doing business; he has not performed his function in our society. We will have to develop a new kind of entrepreneur.

I hope that the Canada Development Corporation—if this government ever creates it—will perform this kind of function. I also hope industry in this country will pay attention to schemes of specialization and rationalization. The Department of Industry, Trade and Commerce is developing some programs along this line, but I also know that nobody is paying much attention to them. Should these matters not succeed in improving the productive capacity of this country, if we wish to remain a sovereign nation little choice will be left to us, but to take under public ownership many of our industries, if only to ensure that they will be efficiently organized and developed.

There will be other opportunities for debating the specifics of this bill. Although some of my comments have not been directly related to specific clauses in the legislation, I submit they are very pertinent when considering proposals regarding the freeing of trade. In conclusion, free trade in itself will not solve our problems. Unless we take steps to enlarge our productive capacities in industry, free trade could very well be our destruction.

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, first of all may I say that if I were prepared to carry out the wishes of most people in western Canada I would at this time propose a motion to repeal or rescind the Customs Tariff which this bill seeks to amend. There is a strong feeling in western Canada at the present time that a free trade area should be formed among the three western provinces. We in the west are forced, as a result of the inaction of the government, to sell our products at world market