

*Employment Support Bill*

welfare in the hands of the board. These manufacturers are not going to get a grant unless they carry out the terms of any arrangement arrived at as a result of the exercise by the board of its own judgment. I should think that is a factor that might cause some concern to any firm that makes an application.

The next point I should like to make is that in terms of time it will be necessary not only to get the bill through the House, the regulations passed and the board set up, but applications will have to be made, considered and dealt with. In the meantime, many, many Canadians may be laid off, and I do not know what the government is proposing by way of a holding action in the interim, if anything.

I should also like to raise with the minister the question of the position of a United States competitor of a Canadian firm that obtains a grant from this board. Can the United States competitor then go to the appropriate institution in the United States and get, shall I say, a supertax imposed on the surtax that is placed on the exports of that Canadian firm on the ground that the Canadian exporter is receiving a specific subsidy or subvention for the purpose of exporting his goods to the United States? Can the minister give the House an assurance that a U.S. competitor of such a Canadian firm cannot get an offset from a particular authority in his own country to this grant which will be made to the Canadian exporter by this board? Is the minister able to give that assurance?

• (4:00 p.m.)

**Mr. Pepin:** That is called countervailing.

**Mr. Stanfield:** That is countervailing, or call it what you like. The question is whether the aid given Canadian exporters in this way is going to be effective, or can it be offset by methods the U.S. competitors can follow in the United States through an appropriate board?

**Mr. Pepin:** Obviously, we do not think so.

**Mr. Stanfield:** The minister says obviously he does not think so. I have great respect for the minister in some respects, but I think we can agree this measure will not amount to much if, in fact, a U.S. competitor to a Canadian exporter can get that kind of countervailing relief from the United States authorities. I think we should have some pretty good advice on this, and I hope the appropriate committee to which this bill is referred will look into that point. It should be looked into very carefully because we do not want a farce here.

This bill is a temporary expedient whereas, in fact, the U.S. surtax is a dramatic reminder of long term importance to us in respect of two related problems. One is diversification of Canadian trade, and the second is a satisfactory long term relationship with the United States in terms of trade. As the minister emphasized, this bill has nothing to say or do about either of these matters.

I have been raising both these questions recently and for some time. I make no excuse for doing so or trying, unsuccessfully as it turns out, to get the government to think in terms of long-term policies in foreign trade. As far as diversification is concerned, the answer I received was that the government believes in the freest possible trade. That is fine and we all agree, certainly as far as

access to Canadian exporters is concerned. I have been asking the government to do something about diversification as a long-term policy rather than just talking about it. I have been talking about it because I am not the government but the Leader of the Opposition, but the government has to do something more than talk. It has to take decisions and actions, and that is something rather foreign to the present government in a good many fields. For example, what has the government really done to improve our long-term situation in respect of the European Common Market?

**Mr. Pepin:** Plenty.

**Mr. Stanfield:** Yes, it has, I will tell the House one rather unfortunate thing it did which was badly timed. It has partially withdrawn from NATO unilaterally. This was, in effect, telling the Europeans we are not really interested in their problems, or that is at least how they interpret it. The government of Canada has taken no effective action to counter the general assumption you find in Europe that Canada's destiny is simply that of an appendage to the United States, sort of a tail to the American dog. May I say that in present circumstances, regardless of what may occasionally take place in mythology, the tail has most emphatically failed to wag the dog.

I have been speaking about diversification often and at some length over the past year, but the government's response has been virtually nil. What about our relations with the United States and the refusal to do anything effective about diversification? What has this government done regarding our relations with the United States? We have heard various speeches and statements by ministers, including the Prime Minister (Mr. Trudeau), which can only be interpreted in some cases as insulting at best and a rather unfriendly pulling of the eagle's tail, I suppose you might say. None of these statements, whether made in Denver or Moscow, has in any way increased Canadian independence vis-à-vis the United States. None of these statements did anything substantial toward increasing Canadian sovereignty in any way. They were simply in many cases gratuitously insulting and always unfriendly, which did nothing but presumably inflate the egos of at least some of the people involved in making these statements. There has been nothing substantial in this approach. These statements displayed a style of which this government is so proud; a rather snotty and superior style which indicates to others they are not quite as good as us.

As a matter of fact, the minister suggested this afternoon that if only the Americans would run things as well as we do they would not have all this trouble. This is the style of the notorious Throne Speech of a year ago which opened this session; a style that is pretentious and condescending. It is presumptuous and pompous, and I suggest the peacock has come home to roost, or is it the eagle? In any case, something has come home to roost which has booted this government off its perch. The time is long overdue for us in this country to look closely at our long-term policies in terms of trade. I have always said we should look at the question of diversification. We also must look at our trade relations with the United States of America. I said a few moments ago that in the case of the surcharge the tail had noticeably failed to wag the dog, in