

people in Washington that temporary in the lexicon of the U.S. government does not mean soon but may mean one or two years, and that the surcharge may be directed more toward redirecting the domestic flow of dollars than toward correcting a short term imbalance of currencies, I believe the surcharge may be of medium term duration. If that is the case, why pass Bill C-262 which I think only provides a patch?

I believe that we in the opposition have a duty to suggest alternatives to the government. I shall throw one simple alternative across to the government side now, but I have others, more detailed and complicated, which may take longer to get through to the government. I wonder why in this country there cannot be retaliation against the United States. I ask the minister this. Perhaps he, or some of the other ministers after they have been coached by him, may reply. There is a lot of hocus pocus about retaliation. Retaliation is defined in the dictionary in many ways, but it is a form of reply, of response, of reaction. And no matter how one responds, reacts or replies, if you want to interpret it as retaliation you can interpret it that way.

I am not in favour of retaliation but I am in favour of this approach which I shall outline. If we, after having lived in this country and tried to build it into a nation from sea to sea for 102 or 103 years, cannot come up with something more comprehensive and fundamental in reaction to this American package, then in effect what we are passing here in Bill C-262 is a Stamp Act. It is like an unemployment Stamp Act, providing only \$80 million. My hon. friend from Calgary North called it a peanut act because it does not meet the fundamental problems. If we pretend to be a country we must meet the issues. It is not good enough for the Minister of Finance and the Prime Minister, after they rushed back from their holidays, to say that we have to be pretty careful and keep cool. No one wants retaliation, but couldn't we have a national response or reply?

I suggest there is one thing the minister should consider now, and which he may be forced to consider if the Americans are not compelled to take off the surcharge, and that is a straight trade stabilization act divided into three parts. One part would provide that Canadian exporters should be given full tax credits in Canada for any imports on which they have to pay surtax to the government of—

Mr. Deputy Speaker: Order. There may be unanimous consent for the hon. member to continue with his remarks, but it is my duty to bring to the attention of hon. members that his time has expired. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Nowlan: I thank the House for its charity. I will only review my stabilization act proposal very briefly. I would like someone on the government side to tell me why it is not feasible to have a trade stabilization act that would give full tax credits to Canadian exporters. In order to help pay for these tax credits, there should be provision for a surtax on dutiable American imports that

Employment Support Bill

come into this country. There should not be an export tax on our natural resources, but perhaps we should have a dutiable import surtax of 10 per cent on American imports into this country, with a consequential freeze of a prices and wages nature, along the lines of that in the United States, so that there could not be unnecessary and perhaps false increases in prices and wages. We are going to have an actual wage freeze in any event in many industries that are affected by the situation in the United States.

A logical sequence of these three steps—tax credits to be paid for by a surcharge on American dutiable imports, and a freeze on prices and wages—would be a bilateral agreement with the Americans to eliminate the surtaxes on imports altogether, so that the relevant picture vis-à-vis imports between the two countries would be the same in each instance, which is all we are asking. If we could do that with respect to the surtax we would not have too much to worry about, although the other parts of the Nixon program—and there are many other areas, tax incentives and credits, industrial in-training programs, and other plans—that will have to be considered by the government.

In closing, I suggest that unless the government moves much further and in a more fundamental way than Bill C-262 to reply in full to the fundamental shift in American economic policies proclaimed by President Nixon on August 15, then the Minister of Industry, Trade and Commerce and the Minister of Finance will have to come back time after time to this House with other piecemeal legislation. Instead of that why don't we have a full, comprehensive package to show where we are going as a country, and to show if the government really wants to lead or if it merely wants to react to what happens south of the border.

Mr. Pepin: I would like to ask the hon. member just one question. He seemed to be very familiar with the dictionary. From his consultation with that book on the word "retaliation" can he say if the dictionary says that retaliation can take place before the offence takes place?

Mr. Nowlan: In answer to the minister, Mr. Speaker, one definition that I did happen to bring with me is from the Oxford Concise Dictionary, which indicates that to retaliate is to repay in kind and, to do as one is done by.

Mr. Sharp: To do it in advance?

Mr. Nowlan: I do not know what is so invidious and evil about doing as one is done by, and about having some type of comprehensive reaction to the American surtax on imports. We have had our own surtax on imports in Canada before. I will make a prophetic statement to the Minister of Industry, Trade and Commerce that if this U.S. surtax is not temporary and is continued, as I firmly believe it will be—pressures in the American congress will insist that it be continued—he or some other minister will have to come back into this House several months from now and do what I suggest should be done now.