

*Customs Tariff*

not seem to want to take into account. They seem to dismiss that as nonsense and as being irrelevant to the main argument as to what works best. What works best is what people want, what they aspire to and what they hope to achieve in their lifetime in the kind of society in which they hope to live.

I should like to sum up that particular argument by pointing out that under any free trade arrangement there is not free trade in the classical international sense of trading with the rest of the world. It is really continentalism or free trade with the United States, even though the council's report goes to some lengths to say that is not really what is meant. It cannot possibly mean anything else, because the option of free trade just is not open to us internationally. That is not the way the world is constituted at this particular time. When it is constituted in that way, it certainly would be proper for Canada to examine the free trade option.

So it is continentalism. This means we will have to put our tax system in the same kind of range as somebody else's tax system, and when control is lost over a tax system, control is lost over the ability to create a different value system and to make different value judgments in a different society. If you do not have the money, you can only talk about old age pensions; you cannot pay for them. If you decide to spend the same percentage of your gross national income on private expenditures as the United States does, and are not going to tax for public expenditures, then you will wind up making the same kind of value judgment they are making. That is because the ability to have hospitalization, to bring in old age pensions or to have redistribution between provinces is based on the amount of money you are willing to take under public control and then redistribute according to the value system on which the people have decided.

Otherwise you really have no sovereignty. You can call yourself a sovereign nation and say you are different, but what will make you different if you do not have that power and behave in that way? If you are not going to behave differently, why bother being different? Obviously, the whole purpose of a desire to be different is to behave differently. I sometimes despair of Canadian nationalists. Because I consider myself a Canadian nationalist, I sometimes despair of fellow Canadian nationalists who say we must get rid of foreign ownership, we must separate ourselves from the United States, and so on. When one asks the reason, one finds they want to do the same thing the United States is doing. So why separate? The whole purpose of having a separate country, a separate identity and a separate economy is to exercise sovereignty, whether it is sovereignty in respect of social policy or in respect of foreign affairs.

Too often in this country we have a government that says we must do such and such to increase our independence. Our governments receive the independence, but what do they do with it? They do not do a damn thing; they do not exercise the sovereignty, the right they already have which they asked for and wanted. So the whole point is that if you want to be a different nation, you must have an industrial strategy, a commercial policy, trade relationships which enable you to do that, and you

must also have the will and the desire to behave differently when you have the power to do so.

Very often in this country we have made the tariff the whipping boy. We think we are not as efficient or as productive as the United States because of the tariff. It is the tariff that is always to blame. It is said that if it were not for the tariff, Canada would be a great manufacturing nation. This is just not so. Canada was in fact on its way to being a great manufacturing nation; certainly it started to show what it could do during the First World War. What prevented it becoming a great manufacturing nation was not the tariff but, rather, the intrusion of the multinational corporations and the American branch plant. That is what destroyed our economy—not the tariff.

There is a kind of circular argument. People argue that if the tariff was not there, the multinational corporations would not have come up here. They probably would have come anyway. The point is that, without the tariff, why would they have come or have bothered, under any circumstances, with Canada since they simply could have exported their surplus to this country without bothering with us?

It is interesting to study industrial history in this country. A number of good books have been written on this subject. A good book has been written on the history of Massey-Ferguson, the Steel Company of Canada and a number of other industries. Although there is not as much literature as I would like to see, there is literature which one can examine on the history of some of our industries. One of the industries that is worth looking at is the steel industry of Canada. We should be very proud of our steel industry. By any kind of comparison you want to make, the steel industry in Canada can hold its own with the steel industry anywhere in the world—in Germany, Japan or the United States. We can produce steel in this country as well as, or better than, any country in the world.

## ● (1700)

One of the reasons the steel industry here is so efficient, when other industries sometimes drive us to despair with their inefficiency, is that our steel industry has remained Canadian because a man by the name of Lord Beaverbrook put the industry together and it has remained strong. It is probably one of the few industries that has driven out its American competitors. Lord Beaverbrook put together the Steel Company of Canada out of fear that Bethlehem Steel would move into the Windsor area. He persuaded Canadian industrialists but, interestingly enough, he could not persuade Canadian bankers and he had to go to Great Britain to get the money because Canadian bankers did not want to put up any money. He put together the Steel Company of Canada and was able to drive Bethlehem Steel out of Windsor.

Ever since then there has been no massive intrusion of foreign ownership in the steel industry. It says something nice about Canadians, and also perhaps something not so nice, that the Lord Beaverbrooks, the E. P. Taylors, the Lord Thomsons and the Westons have had to flee their own country because they received no respect here. Unlike the Americans who worship the Fricks, the Rockefellers and the robber barons of their society, Canada has never done that. It is both a nice thing and a rather unfortunate