

make sure that the interests of this country receive the consideration that is necessary.

We have heard vague references about the starting of a trade war, as though Canada threw the first stone. The trade war, if there is one, was started by the United States. The American action to protect the American economy has thrown the whole world into turmoil. If a trade war develops in the world, it will not develop because of Canada's actions or because of the actions of other countries. It will develop as a result of the initiative taken by the United States, which will have started it. We do not know at this time what will happen as a result of those actions. The mood of the world is dangerous to an extreme, and that should not be minimized. Nevertheless, for our government to take a polyanna attitude and pretend the situation is not bad, for the government to say that we dare not take action for fear that our actions will precipitate a trade war, is complete nonsense. Ask yourself, if somebody comes along and plays the role of a bully, how do you respond? Do you think the bully will take into account the fact that you are being docile, that you are saying you are not being hurt very much so perhaps he will go away and find someone else to bash around? Or would you say, "If you want to fight, we have some weapons at our disposal; if you want to start a trade war in the world you must be prepared for other countries to return the compliment and respond."

There is no other way to head off this kind of thing except by taking that kind of strong position. I think Canada ought to take this kind of strong position, because if we wring our hands we will not convince some of the hard noses in the United States that their policy is not working. The protectionists in the United States will become convinced that their policy is not working only when they see that it is not in their interest to take measures of this kind. We in Canada must demonstrate conclusively that it is not in the interest of the United States to start a trade war. This we have not done, and it is important for us to do this even though we may not want to do it. After all, Canadians do not like doing things like that. We are not accustomed to being tough. We want to be friends with everyone. We want to be nice guys. That is a good trait; that is one of the nice things about Canadians. But that is not how we should behave at this time, because nice guys do not always win. I think that this is one time when we should show the other part of our character, the toughness of the people of this country and their willingness to defend their interests.

There is no evidence to show that the quiet diplomacy has been effective. Sometimes when Canadians have tried to raise their voices within the context of the quiet diplomacy, they have been humiliated. Witness the humiliation handed by President Johnson to a Canadian Prime Minister who dared raise his voice in a very quiet and polite way against the policies of the United States. That was an intolerable position, and I find it most distasteful and unnecessary. There is no need for this country to be in that position.

Let me say something else, Mr. Speaker. There is no doubt in my mind, and I am sure most of my confreres

#### *Employment Support Bill*

feel the same way, that we are in some ways fortunate to live beside the United States. The United States has its faults, as have other nations, but it is still a great nation. If I could choose my neighbours, I would just as soon choose the United States as my neighbour as any other country. I have many friends in the United States and that is true of many Canadians. There are many exchanges between our countries and many interrelationships between us. The question of our being good neighbours is, I think, beyond doubt. We share a continent and we have a common boundary. We have cultural links and many things that tie us together. Yet, being good neighbours does not mean that we must show weakness when we are being hurt. That does not help the situation. Even good neighbours have differences and the differences that we have with our neighbours to the south at the moment are very severe. I think we have been badly treated. Despite the willingness of Canadians to understand United States problems, the Americans have not taken our problems into consideration. We have not been treated as fairly as we have been entitled to expect.

The Minister of Finance (Mr. Benson) has bragged that we have specialized industry. He said that with some degree of pride. I read his statement again and found that he spoke about specializing industry. Yes, we are a source of raw materials, not only to the United States now but also to Japan. Oh, we are very specialized, in the same way as a banana republic is specialized. I do not like that kind of specialization. If the minister is talking about our manufacturing industry he should not brag about specialization, because we have one of the worst industrial structures in the world. This has been brought about mostly by foreign ownership. There is nothing to brag about there. What the minister said only accentuates the difference between the world he lives in and the world of reality, the problems that we are talking about today. Faced with this kind of a situation, and with the kind of problems that have been created by the American protectionism, how effective can this present bill possibly be? Of what use are the proposals that the government has placed before us?

• (3:20 p.m.)

I see three major difficulties. There are others, but I will only talk about three. First, it puts off any real examination of our problems, any real attempt to find a solution to these problems. It is ridiculous to think that, faced with the kind of critical situation we now have, all the government can think of is to provide something like \$80 million for compensation. As one newspaper man said to me as I was coming into the House today, why not save ourselves a lot of trouble setting up a board by simply giving the Americans \$80 million to buy them off.

It is ridiculous to think that we can solve the problem with \$80 million. We do not know how this money is going to be applied. Even the Minister of Industry, Trade and Commerce (Mr. Pepin) does not know. He was very vague. There is no criteria and no understanding. It is understandable that this is a difficult proposition. If I had to administer a board, I would not know how to start to assess the damage or what to do in a case like this. It is a