

Export Development Act

Up to 1962, we had the nucleus of an industry and we could have it again. The sponsorship and support of an aircraft industry in Canada would do more for Canada than the shirt, towel, shoe and rubber manufacturers. It must be an industry capable of producing aircraft for the whole world. We have all the necessary materials. We have the ingenuity and the expertise which is required. All we need is the zest for this type of thing. The transportation problems, of course, would be immense.

I wonder whether anyone has considered why we should not enter into an agreement with the United States so that transportation on the St. Lawrence canal would be almost free, as is the case in respect of the Rhine canal in Germany. If this seaway is to be subsidized, we might as well subsidize the whole cost. We could deepen the canal and employ a company from Nova Scotia, for instance, to do it. This would mean a saving in transportation costs. If we do not do this we will not be in a position to compete with Japan and Germany or, of course, with the European Economic community.

I hope I have painted a picture which, if not black, certainly is dark. I believe it is foolish to close our eyes and say we will somehow survive. I will be frank and say that what I say really does not matter. I do not think what the House says really matters, because the mood of the country now is that what the Prime Minister (Mr. Trudeau) does and says is of paramount importance. More than at any time in the history of any country in North America, this happens to be the mood of the nation. Now, the question is whether the Prime Minister will have the necessary audacity and daring. It is the daring which is needed. I refer to the daring to try a completely different way of doing things, rather than count on conventional wisdom.

I know the President of the Treasury Board (Mr. Drury) is a man of great expertise. He was a civil servant for many years before he was a member and a minister. We must never underestimate the power of the grey eminence of the government. I think the Prime Minister, however, must see that it is not advice such as that which will save Canada. There must be a completely new approach and we must have people who will take a dare and encourage new ways of doing things. If necessary we must forget a great number of what we call the sanctimonious things about compensation and so on. If we are not prepared to gird ourselves for this battle, then I think we should forget about economic nationalism completely. I think we should tie ourselves as completely as possible to the United States because it will survive, and if it survives we might survive.

• (4:40 p.m.)

If we try to be completely independent we will go down, and all we will have will be nationalism without a viable economy behind us. Hon. members should read an extremely good article on the Japanese export push which appeared in *Fortune* magazine of September and which also covers the German methods. If hon. members would read those articles and investigate the current export programs of these countries, they would find that

[Mr. Otto.]

no matter what tariffs we impose we will never be able to protect ourselves. We will sink to the lowest economic condition we have ever had unless we take the bit in our teeth, so to speak, and say that we are going to do great things and we will do them on our own. But this means courage and it means going out in different directions; the result may be either failure or success. But we have to take the risk.

Right now the people have given the Prime Minister (Mr. Trudeau) their loyalty and have said to him "we franchise you to do whatever you like. If you make a mistake, we will forgive you; but if it works out, so much the better". However, people will not tolerate a reactionary, conventional, old program which will not work. If we are not willing to follow this course then I suggest, to hon. members opposite especially, that they should tell their group to forget about anti-Americanism because the only way in which we can survive is to tie ourselves almost completely to the United States. Then, we can at least hope that together, with our energy and resources, we will be able to fight off the onslaught of the trading nations and thus will survive.

Mr. Deputy Speaker: The hon. member for York East (Mr. Otto) indicated that he would accept a question from the hon. member for Waterloo (Mr. Saltsman).

Mr. Saltsman: I wonder whether I could get a clarification from the hon. member for York East. Perhaps I might preface my question by congratulating him on a most interesting speech. I wish to ask the hon. member whether he has completely given up hope for our survival by suggesting that we tie ourselves closely with the United States in order to survive economically. Has he given up hope that we will be able to survive, even though he indicated in his speech that there were possible alternative courses we could take?

Mr. Otto: Without being partisan, and I do not think we should be, I would like to say that I trust our government will do this. But I think you will recall that around 1963 or 1964, in a speech on a fisheries bill, I raised the whole question of Russian factory ships. At that time the minister said we should really have no fear and that factory ships were never going to work out, that they were no threat. It was not until recently, after seven years, that we discovered maybe there is some threat from the Russian fishing fleet. I have letters from ministers, and from the Prime Minister, in reply to the article I sent them indicating that Canada is well on its way to a wonderful future and that really all the fears are groundless. Therefore, I have a feeling that the required courage and initiative will not be forthcoming from this government. I think we will slide along cautiously from panic position to panic position. To be realistic, I will say that our chances of surviving are much better if we tie ourselves economically to the United States.

Mr. Gordon Ritchie (Dauphin): In rising to speak on this bill, with which I am in general agreement and which is an extension of legislation already enacted, I should like to say that its main effect will be to increase the capital of the Export Development Corporation to