

trade relationship with the U.S. Consumers are going to be paying substantially more for a wide range of products. Whether it be books they read, computer parts they need, or tea and porridge, they will now be required to pay a somewhat higher price. Goodness knows, as we have said many times, this is a Government which has elevated the approach of the Grinch who stole Christmas to that of philosophy, by putting a tariff on Christmas trees, and it is doing it in June rather than waiting for December. The fact of the matter is when you add all those things up, what they really demonstrate is the fundamental flaw in and failure of the approach taken by this Government to conducting its relationship with the U.S. That has nothing to do with the good or bad of the Reagan administration policies, but with the way we reacted to them.

There was a basic premise expressed at the beginning of this Government by the Prime Minister (Mr. Mulroney) that somehow if you were only liked by and friends with the Americans, in a jocular way but not in an intergovernmental way, you could build up, I think his words were, credits in the bank. When the time came for the U.S. to make a choice on whether to inflict economic damage on Canada, we would just pull those credits out of the bank and all would be well. That time came a week ago Friday. There was a very crucial decision to be made affecting 4,000 Canadians and their families. Every Canadian rightly expected that this was the time to pull the credits out of the bank; all right, let us see this special relationship have some special impact. Of course it did not. No one in their right mind should have assumed it would because that is not the way to conduct a relationship, particularly with a very powerful and determined country, one that since the inception of the Reagan administration has shown a clear pattern of activity which does not recognize the old rules of international co-operation. Whether you are talking about their stand on arms control, UN financing, Nicaragua, or world economic institutions, the fact is they have shown a kind of Rambo-like mentality of go it alone and serve your own self-interest. From the point of view of the Reagan administration, they have a right to do that and their people support them. However, that has been the fundamental pattern, contrary to what had been the pattern before where other administrations accepted certain obligations concerning maintenance of an international economic world order. The Reagan administration does not see it that way anymore, and that is the reality we as a country should have faced.

In order to deal with that kind of attitude and those policies, the key ingredient is to be respected if not liked. You have to gain respect through a series of actions and reactions, not concessions. We are now paying the price for a fundamentally flawed approach to that relationship. The price we are now paying is being seen in the most evident and personal way by many Canadians in the loss of their jobs and their livelihood.

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At the same time the Government has also latched on to the notion of bilateral negotiation with the United States as being the panacea for all that ails Canada. Every time we asked a

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question about what the economic strategy of the Government was, it was that it was going to get that bilateral agreement, have a totally comprehensive free trade arrangement and all will be well. We will not have to work hard at anything any more. We will have this vast market of 250 million people we can sell our goods to. We will be saved from all kinds of harassment and protection.

There is, in the annals of mythology, the old notion of the Pandora's box, which is brought forward as being the great panacea. People cherished it because they thought there were hidden treasures inside. Once the box was opened all that was let loose was a whole legion of demons which you could not control. The Pandora's box has been opened by this Government in its singular, obsessive pursuing of this bilateral negotiation, to the exclusion of all else.

I am not saying that one should not be negotiating and talking with Americans, because obviously you must, and we have. We have been doing it for decades. That is nothing new. The question is how you approach it and whether you are going to come in walking on your feet or on your knees to those negotiations. That is the real question.

By giving away so much at the front end—and I can go through the litany of freebies that were given away by this Government with nothing in return—when it came to the real bargaining that started a few weeks ago we had already put all our chips on the table. It makes the lottery games look like a sure thing. We came into the negotiations already on the defensive because we had already given away the best part of our bargaining leverage; in other words, FIRA, cultural industries, pharmaceuticals, whatever it may be.

You have to ask yourself about the approach it has taken. Let us look at a specific example on the shakes and shingles. The Minister who will be responding, and the Prime Minister acted with great indignation and outrage in the House a week ago Friday, as they rightly should. It was a terrible action by this ally. They also said they were surprised. Why was the Government of Canada surprised at that decision? Their own embassy officials admitted that they had met back in April to discuss this matter with U.S. officials. They knew it was going through the process. Did they assume that somehow a magic wand would be waved, or that their special relationship would come into play? Surely, knowing the impact and significance of the jobs of so many Canadians, something should have been done beforehand rather than reacting to an event that already took place. It needed some anticipation, some hard work and digging. It needed some tough negotiating and some bargaining prior to the decision being made. That we did not receive. Instead we now have wholesale retaliatory actions, which are simply adding to an escalation which only boggles the mind.

If you have a highly developed sense of irony you might be able to tolerate it. You have the Government talking about the need to have open boundaries and wide open co-operation, while at the same time on the other side of the street you have the Minister of Finance imposing new tariffs, imposing new boundaries, the Americans retaliating we are talking about