

The Budget—Mr. Regier

will not supply us with the needed investment capital. They will not help the needs of Canadian agriculture.

I welcome the effort of the government to reduce the percentage of equity that Americans hold in Canadian industry. However, at the same time the minister also imposed a severe additional hardship on our lower levels of government in that in effect he imposed a penalty on the municipalities and the provincial governments when they go to money markets abroad in order to meet their capital needs. The government by its proposal contained in the budget is in effect raising the interest rates that will have to be paid by hospital boards, school boards and municipal and provincial governments because it is obvious that when they want to borrow money in New York henceforth they will have to pay a higher rate than they otherwise would have had to pay.

I regret also that while the government is discouraging United States investment in Canadian equities and Canadian corporations the government is not making any proposal that would help to increase Canadian investment in Canadian enterprise. No action is proposed that will replace United States capital with our own Canadian capital, and we do need capital if we are going to meet the problems that a growing labour force calls for, that automation calls for and that intensification of our agricultural and industrial production and the lowering of our cost of production call for. We need this investment capital. The government made one welcome move but as it made that one welcome move it completely failed to encourage Canadian investment in Canadian enterprise and imposed an added hardship and burden on the backs of local levels of government.

The government has done nothing to entice the investment in Canadian enterprise of funds at present idle in Canada and much more will have to be done in this regard than is being done. Canadian investors do not invest their hard earned savings in visions. They will invest only in potentialities that are realistic, and when they see in office a government that can give them no assurance of expanding markets Canadian investors will continue to be unwilling to listen to the slogan: Let us buy Canada back for the Canadian people. Definite and specific plans and policies are needed rather than a patchwork policy and, as is so often the case with this government, a locking of the stable door after the horse has been stolen. We should be able to analyse what our credit needs are. I see no evidence that the government is even attempting to analyse what national

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credit needs are at all levels. We should also be able to analyse how we can best meet these needs.

This brings me directly to the possible role of our nationally owned Bank of Canada. The minister cannot for much longer deny responsibility for the actions of the Bank of Canada. The minister is the major shareholder according to the terms of the Bank of Canada Act. The Bank of Canada was established to serve the needs of the Canadian nation and the executive authority of our nation cannot begin to absolve itself of responsibility for action or lack of action or lack of adequate legislation that prevails with regard to the Bank of Canada.

The Bank of Canada is very much involved in levels of interest rates and the time has long since passed when the Bank of Canada should have been given the added responsibility of being responsible for credit needs and operations within Canada in addition to ruling over the issuing of our currency.

In all these fields markets are indeed necessary. They are the key. They are the key to unemployment, to agriculture, to business, to industry, to our investment problems and, incidentally but of great importance, to the revenues of our governments. We must enhance the tempo of our Canadian economy. The people will forgive a government that makes mistakes but the people will not forgive a government that sits idly by, formulates no policies and comes forward with no proposals for major action at this time.

The minister for the first time in the house admitted the responsibility of the government for the economic welfare of the Canadian nation. Now we ask, where are the policies which acknowledge that he in fact admits his responsibilities? Where are the markets? They can be obtained mainly at home by enlarging the public sector of our economy, by paying adequate pensions to retired civil servants, by paying a fair share of the national income to agriculture, by an adequate national program of minimum wages in co-operation with the provinces, by altering income tax rates so as to encourage consumption levels, by a comprehensive social security plan and, above all, by a policy of full employment.

Half a million unemployed in one year's time account for the loss of \$1.5 billion to our national economy. When you ask us, where are you going to get the money to give this added purchasing power to the Canadian people, we point to the heavy cost so far as our wealth is concerned of half a million unemployed. We point to what in our opinion are the needlessly heavy expenditures of the Department of National Defence every year