

Supply—Finance

done and for not doing what it ought to have done. Now the minister asks us to co-operate in getting the country out of the mess. Speaking for myself, I am sure that every member in this chamber wishes to do what is good for the country.

The Chairman: Order, please. I must interrupt the hon. member to advise him that his allotted time has expired.

An hon. Member: Carry on.

The Chairman: Does the committee give unanimous consent for the hon. member to continue?

Some hon. Members: Agreed.

Mr. Flemming: I thank the committee and I thank you, Mr. Chairman, for your consideration. The minister used some phrases in his speech which deserve attention. He spoke of a new character of urgency. That urgency, I submit, has been caused by this government's mismanagement. He also spoke about buttressing confidence. I took the trouble to look up the meaning of "buttress" and I found that it means "to prop it up". The minister asks us to prop up confidence.

Mr. Dinsdale: One cannot prop up this government.

Mr. Flemming: That is quite right, and I do not think we should. Confidence in this government has reached such a low level that it is almost impossible to restore it. Surely those who have weakened the country's confidence in the government are the members of the government themselves.

The minister asked for restraints in wage and price increases. That request is fair enough as long as the prices are restrained as well as wages. It would not be fair to interfere with wages unless attention were also paid to the cost of living and to the things that wages will buy.

The minister talked about the devaluation of sterling. May I suggest what brought about that devaluation? I wonder whether any member of the chamber would like to answer that question?

An hon. Member: Such as the hon. member for Burnaby-Coquitlam?

Mr. Flemming: No, no. I will not ask him to answer. I shall try to answer it myself. Briefly, I think devaluation was brought on by too many handouts in Great Britain. The

British people could not produce goods in competition with the world and as a result Great Britain lost its foreign markets. For a long time the British have not been able to compete and this lack of competitiveness, for want of a better phrase, lasted without apparent ill effects just as long as Britain could borrow money. After a while Britain could borrow no more and there was nothing to be done except devalue sterling. The British lived beyond their means. We in Canada have lived beyond our means for the last five or six years. We have had a deficit of \$750 million per year. That is the extent to which we have lived beyond our means, and for that the government must take responsibility.

Have we in Canada lost our ability to compete? Are we living beyond our means? Those are good questions and I shall attempt to answer them. No. I do not think we have lost our ability to compete but I do think we are living beyond our means. We have forgotten to encourage people to be productive. We must produce goods competitively with the rest of the world or we will find ourselves in the same predicament as Britain.

Some hon. Members: Hear, hear.

● (4:30 p.m.)

Mr. Flemming: As I say, we live alongside a very rich neighbour, a very good neighbour. They are fine people. They have many luxuries, and we think we are entitled to the same luxuries. I am not so sure we can afford them, but we do try to keep up with the Joneses. I suppose it is natural to do this. We enjoy virtually the same standard of living as the people of the United States, and we can compete with the United States in productivity and in the benefits it derives from world markets if we make up our minds to do so. That is all it takes. But the government must of necessity give some assistance and encouragement to industry to enable it to do that very thing. Up to now this encouragement and assistance have not been forthcoming.

I have mentioned foreign ownership of Canadian business, but since I am now trespassing on time which does not belong to me I shall not go into the subject further. We have the Watkins report. We have statements by the President of Privy Council about buying Canada back. If I had the time I could tell the committee some stories about businesses in the maritime provinces which would never have been started had it not been for United States capital. The proposals were turned down by Canadian banks. I know of