

Motion Respecting House Vote

cent tax increase to the increase they were going to ask for anyway. Their demands, as we know, are always granted by management, and this will make it that much more difficult to sell our products in the export and home markets.

Third, Mr. Speaker, we object to this 5 per cent tax increase because once again it increases the already very high cost of living in this country.

Our main reason for opposing the measure is because we have no confidence in the government, in view of what they are doing to the economy of the country. On many occasions during the past two years we have made speeches and asked questions about what the government is doing. We produced figures that are given to us by the government's own statistical agency, the Dominion Bureau of Statistics. Let us see exactly what this government is doing and you will see why some members in this house have no confidence in the government and why the people in the country, according to the Gallup polls, are losing confidence increasingly every day. Let us look at the cost of living. Today it costs exactly \$1.05 to buy what could be bought one year ago for \$1. That is the extent of the inflation that has gone on in this country for the past 12 months. In the past four years the cost of living has gone up by 14 per cent. Could anyone have confidence in a government that permits such a thing to take place? My answer is, no, you cannot have confidence.

• (5:00 p.m.)

Unemployment has reached its highest point in four years, having gone up to 6.1 per cent of the labour force. On various occasions I asked the Prime Minister what new policies he would introduce to combat unemployment, and he simply laughed the matter off, as did the Minister of Finance and as did all those other ministers who were asked that question. We bring this situation to their attention, only to be given the same smirking answer. They duck the question; obviously they are not interested. The only people who are interested in the unemployed seem to be the members on this side of the house and the unemployed themselves, who are very interested indeed.

Take the question of productivity: A country can only stay competitive if it can keep its costs level with those of its competitors. Great Britain had to devalue its currency a short time ago simply because that country's productivity was not increasing at the rate

that its main competitors were increasing their productivity. Competitors' products sold more cheaply not only in the export markets but in Great Britain itself, and Great Britain was forced to devalue her currency.

Exactly the same thing will take place in this country within two years, at the very outside, if this government does not do a great deal more to combat decreasing productivity. Let us see just how much it is decreasing. In the 20 years between 1945 and 1965 our productivity increased each year by an average of 3.4 per cent. This kept us level with the increased productivity of our main competitors. But in 1966 our productivity increased only by 2 per cent, and in the first nine months of this year, as compared with the first nine months of last year—and these are the latest figures that are available—our productivity increased only by four-tenths of one per cent. Our rate of increase in productivity is steadily going down. That means that our chances of selling our goods against competition, both in Canada and in the export markets, are decreasing every day. I pointed this out to the Prime Minister, to the Minister of Finance and to the Minister of Industry. I have asked them what they are going to do to increase productivity. I have suggested taxation incentives to encourage industries to buy new machinery, new plant and new production systems that will make it possible for them to increase productivity in the way that our main competitors are increasing theirs.

When I mention these matters to the Minister of Finance, he just laughs. He says that what we are doing is satisfactory, that it is good enough, that our policies will give us increased productivity. He started saying that nearly two years ago, and ever since he started giving me those kind of answers, our productivity has gone down, and down, and down.

Let us look at what this government refuses to do to increase our productivity. One way to increase productivity is by training manpower, by giving our people greater skills, by training them to adapt to the new technologies. There is no place in today's world for a person who is mentally or physically unskilled. People must have the new skills. We knew that, and so the Conservative government in 1961 and 1962 established the manpower training program. In conjunction with the provinces, we enabled to be built no less than 224 new training schools. We enlarged 130 others and we provided an additional training facility for 140,000 young men and women every year.

[Mr. Hees.]