

I am sure hon. members would expect the Prime Minister to correct the Minister of Industry, Trade and Commerce and to indicate that that is not government policy, but yesterday I asked the Prime Minister, and he confirmed that it is. He was positively ecstatic. I had never seen the right hon. gentleman looked so pleased with himself as when he said that this floating Canadian dollar which has developed a leak and is sinking would help our export situation. A few weeks ago the Minister of Finance in answering questions in this House, said that the Canadian government would do nothing to prop up the Canadian dollar. But his colleague, the Minister of Industry, Trade and Commerce, said in Winnipeg that the expenditure of millions of dollars by the Bank of Canada to hold up the dollar in the international money market was calculated to keep it from dropping below 90 cents in relation to the U.S. dollar.

● (1622)

So the Minister of Finance says we are not propping up the dollar—just doing a little tidying up, smoothing out the ragged edges. We are supplying a market that goes along smoothly, but we are not propping it up. We are not propping up the dollar: apparently it props up itself. When the Minister of Industry, Trade and Commerce went to Winnipeg, he said we are propping up the dollar with the millions we are spending so that it does not go below 90 cents. Who is right, Mr. Speaker—the “propper-upper” or the “de-propper-downer”? We would like the minister to tell us who is right.

Let us consider another aspect of the minister's answer to our economic problems. He is quoted in the *Winnipeg Free Press* as saying that he is going to induce investment capital to stay in Canada “with the carrot rather than the stick.” He must think the people with the investment dollars are like donkeys and will take whatever carrot the minister offers. But they have had four or five years to see what this government is doing. The smart money is now leaving Canada, not coming here. The idea is to get investment money out of Canadian-dominated investments and into United States-dominated investments. That is what the smart money people advise their clients. There will have to be a lot of carrots if that trend is to be reversed. I do not know what the minister's carrots are. As long as hon. gentlemen opposite stay in power, there is not a carrot in the universe that will attract investment money to this country. The financial community knows we are being mismanaged.

Is the lower value of the Canadian dollar the solution? You do not have to hold a Ph.D. in economics to know that if the Canadian dollar goes down in relation to the U.S. dollar, the Japanese yen, the German mark, and so on, it will help us sell our exports because they will be temporarily cheaper. They are 12 per cent cheaper now. We also know that Canada has tremendous imports. Many imported materials are used in manufacturing. A lot of our food is also imported. Because of the decline of value in the dollar, imports have gone up in price as much as our exports have gone down.

Income Tax

We know that workers will need more money to keep up with the increase in the cost of living. We also know that Dr. Hood, assistant deputy minister of finance, has said that for every cent the Canadian dollar declines in value compared to the U.S. dollar, the cost of living in Canada within a year will increase by one-tenth of 1 per cent, and within two years by three-tenths of 1 per cent. We know that the dollar has gone down 13 per cent in the last 12 months, from \$1.03 to 90 cents. We know that within the next year, for that reason alone, the cost of living will increase by at least 4 per cent. We know it is going up now and has gone up by 1 per cent in just this last month to an annual rate of 8.8 per cent.

How long is this devalued dollar going to help us, Mr. Speaker? How long will it be before the idiotic practices and policies of this government, their inertia, their economic insanity, their political will to stay in power and survive—how long before all that forces the dollar down even lower than 90 cents? One thing this government will not do is take effective action to reverse our economic malaise. It will do nothing until the next election is over, and then if they stay in power they will be forced to take action just as the government of the United Kingdom was forced to take action. If this government stays in power, we will have foreign exchange control, travel control and all those controls that the Prime Minister likes so much. He is an anti-free enterpriser, a state socialist. All these controls will go into effect. That is my prophecy, Mr. Speaker.

It used to be said that Turkey was the sick man of Europe. Today, Canada is the sick man of the western hemisphere. How far have we descended in the last nine years under the leadership of the Prime Minister? I wish he would come into the House one day so that we could tell him what we think of some of his policies. If this government does not take some important steps to halt this economic malaise, get more productivity, persuade people to work harder and set an example for them, tell them that there have to be sacrifices that will affect our standard of living, in six or nine months' time it will not matter that the dollar has gone down to 90 cents or goes down to 85 cents, because our advantages will all be gone.

No fundamental reforms were introduced during the wage and price control program—so what was the point of it? We had two years of controls. We still have them, but what did the government do to change the basic economic structure of things that were interfering and causing unemployment and inflation? Nothing has been done to change it. There will be no improvement by the time controls are lifted in a few months. On November 9 the Minister of Industry, Trade and Commerce delivered a speech with all the zeal of the convert. He had the gall and the audacity to remark, as reported at page 756 of *Hansard*:

—the Conservative party has attempted to ride to power on the backs of the Mounties.

He said that the right hon. member for Prince Albert (Mr. Diefenbaker) could straighten out the Conservative party when he got back to parliament. The right hon. gentleman came back yesterday and he straightened out the hon. gentleman opposite on what he thinks of this issue. The Conservative