

Motion Respecting House Vote

constant dollars the per capita increase in the gross national product in Canada in 1967 compared with 1966 was almost nil. There was virtually no growth at all on a per capita basis.

If the minister wants to know why investment circles are apprehensive he has only to look at the cost of living, which has been spiralling. The cost of living increased 4.5 per cent during the last year. In the last four years the cost of living has gone up 14 per cent. What does this mean, Mr. Speaker? It means that a man with a salary of \$5,000 a year has had his purchasing power reduced by \$700. The reason we are in the present situation is that we are suffering from a cost-push inflation. Both the Minister of Finance and the Minister of Trade and Commerce, who have talked a great deal about restraints, have done absolutely nothing about some of the unwarranted and unjustified increases in the cost of living.

If the minister wants to know why the Canadian dollar may be in trouble, he should look at the fact that ever since he has taken office he has endeavoured to maintain a fixed exchange rate on the one hand and to keep a ceiling on Canada's foreign reserves on the other—a complete contradiction in policy.

The minister might also take a look at the Canadian capital that has been going across the border to the United States largely as the result of the appeal by the President of the United States to U.S. subsidiaries in Canada to return their profits to the United States. I admit that this is a serious situation, Mr. Speaker, but what did the Minister of Finance do about it? One would have expected the Minister of Finance to call in representatives of these foreign subsidiaries and to say to them: Gentlemen, you are operating under Canadian law, with all the benefits of living in a Canadian society; you are operating with Canadian labour and Canadian raw materials; we expect you to conduct your investment policies and financial procedures with the best interests of Canada in mind, not the financial concerns of any other countries. The minister should have told them he would like them to do this on a voluntary basis but that if necessary he would be prepared to introduce legislation in parliament to ensure that they conduct themselves as good corporate citizens of Canada.

[Mr. Douglas.]

• (12:50 p.m.)

Did the minister say this to the corporations, Mr. Speaker? No. While millions of dollars were flowing from Canada into the United States the Minister of Finance got on the telephone to the secretary of the treasury in Washington and said: "Will you please tell these companies doing business in Canada to behave like Canadians rather than Americans?" This is the kind of leadership we have had. This is why the Minister of Finance is now worried about the position of the dollar. If the dollar is in trouble, this government must accept the responsibility.

Some hon. Members: Hear, hear.

Mr. Douglas: We in this party do not want to see a financial crisis but I am telling you, Mr. Speaker, that a financial crisis is much less likely to come from an election than from continuing with a government that is floundering around in a morass of its own ineptitude. This government is like a ship without a compass, without a chart and without a rudder. And last Monday night it was without a skipper. As a matter of fact, while the skipper was off the bridge the crew was shooting craps over who was going to wear the captain's hat.

Some hon. Members: Hear, hear.

Mr. Douglas: The Prime Minister worries about having an election. He was not concerned about calling an election in the fall of 1965, even though only a few months earlier he had told parliament that we would be reassembling after the parliamentary recess. That did not bother him at all then.

The financial soundness of this country will not be as adversely affected by an election as it will be by the continued incompetence and ineptitude of the government. This government has no unity of purpose and no unanimity of opinion. Almost every major issue that has come before them has been set aside because they cannot agree among themselves about what they should do.

Last year the Carter report was presented and the Minister of Finance promised us that we should have a white paper by the fall. Then we were to get it by January 1. Now the Prime Minister has announced that the Carter report is to be put on ice until after the leadership convention—

An hon. Member: It is too hot.

Mr. Douglas: —because he does not want leadership candidates taking opposite positions