

The Address—Mr. Hees

in the light of the recommendations of the forthcoming report of the royal commission on taxation, would be some of the economic policies most appropriately pursued in the light of the unfolding economic pattern of 1966.

Dr. Firestone says unduly tight money or higher taxes could take the steam out of the economy, and "transform gentle clouds evident on the economic horizon, into a cloudburst of a recession."

I should like to remind the government that this is the same Dr. Firestone who, in his famous report of April, 1957, warned the Liberal government that if they did not cease their tight money policies of that day, a recession would ensue. The Liberal government of that day refused to listen to the warning of Dr. Firestone. As a result, by the time we took over the government, in June of 1957, a recession was already well launched. I strongly urge the government at the present time to adopt the policies which Dr. Firestone advocates to put the country back on its feet again, and to make sure that the economy keeps rolling, instead of going in the reverse direction.

I should like to remind the government of the great successes achieved through tax reductions brought in by President Johnson, in the United States a few months ago. Not only did those tax reductions stimulate business and create employment, but the far greater production, multiplied by the lower tax level, brought into the coffers of the United States government, in the first year alone, an added \$100 million of increased revenue. An adequate money supply is needed to enable our farmers and our businessmen to buy the machinery and supplies which they need to increase their operations, and to keep our economy moving. The government's policy of tight money and high taxes will slow down the economy, and create unemployment. If the government does not reverse its tight money policy immediately, and persists in high taxes and tight credit, then it must take the responsibility for the business downturn which is bound to follow, just as it followed those policies in early 1957.

I should like to deal for a moment, Mr. Speaker, with the treatment of foreign capital operating in Canada. We need a great deal of foreign capital to come to this country every year to enable us to carry out our development, because we simply do not have enough capital of our own to build the factories and the transportation systems, and to carry out the developmental projects that are needed to keep our economy moving forward. Foreign capital operating in Canada must be treated

in exactly the same way as Canadian capital is treated in this country. It must receive the same privileges, and it must be subject to the same obligations. We Canadians must resist all attempts by foreign governments to influence their subsidiaries through the parent companies.

We want these foreign subsidiaries to establish here; we want them to grow and to prosper. We want them to enter into the export market. We want them to grow so that they can provide an increasing number of jobs for Canadians. Any attempt to restrict the normal operations of these foreign subsidiaries operating in Canada must be strongly resisted by our government. As I said a few days ago in this house, I am very distressed, as I am sure all Canadians are, to see the refusal of the government to protest on behalf of Canadian interests when interference of this kind takes place.

I should like now, Mr. Speaker, to address a few words to the Minister of National Health and Welfare (Mr. MacEachen). I ask him to persuade his colleagues to accept the view that our older people simply cannot live on \$75 per month, as this government attempts to force them to do. They need a minimum of \$100 per month in order to subsist. I ask him to start working on his colleagues now, in the hope that, when the budget is prepared, the fact that they have seen the light will be reflected in a decision to increase old age pensions to \$100 per month.

I should like to address a few words to the Minister of Agriculture (Mr. Greene). Since he is a man who comes from my part of the country, I feel sure that he will be familiar with the problems which are faced by eastern farmers and will, therefore, agree with the suggestions I am about to make. These suggestions are made on behalf of the people who live in the riding I have the honour to represent, Northumberland. They are as follows:

1. To raise the price paid for industrial milk to \$4 per hundredweight.
2. Reform our milk inspection and testing systems for fats and solids, so that our farmers get a fair deal for the milk they deliver.
3. Bring about more research into the breeding, feeding and marketing of our beef and pork products, so that our farmers can make a better margin of profit.
4. Do everything in his power to remove the limitation on the production of tobacco, by persuading the Minister of Trade and