It is doubtful whether any employer in Canada would treat his employees more callously than has the federal government. This is particularly true of the provision that the first to be fired are those 60 years of age and over. If private employers take a leaf out of the government's book there will be troubled days ahead for Canada. There have been some significant omissions in the government's policy of cutting staff. For instance, the Prime Minister's office staff is twice as large as that of his predecessor and costs $350,000 a year, compared with $150,000 a year for Mr. Pearson and $50,000 a year for the right hon. member for Prince Albert (Mr. Diefenbaker) when he was Prime Minister of Canada. The number of elite advisers to the government has reached the astronomical figure of 117, at a cost of $1.5 million.

The Prime Minister has now added two more Ministers without Portfolio, making a total of five Ministers without Portfolio. I do not know why we need more Ministers without Portfolio, unless it is to give regional representation, a reward for services rendered or the Prime Minister feels that some of the ministers he has are not capable of doing the job they have had assigned to them. This is the largest cabinet in Canadian history. No one would object to that if they were doing anything worth while, but when the government is cutting staff and reducing essential public services these additions to the cabinet make a farce of the government's appeals to the public for austerity.

Before I go on with my next point, Mr. Speaker, I want to move an amendment. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

> That the amendment be amended by changing the period at the end thereof to a comma, and by adding immediately thereafter the following words:
>
> > "who are suffering from rising unemployment, lower prices for primary products, and the curtailment of essential public services brought on by the government's misguided anti-inflation policies."

I will now turn to what we in this party believe to be the realistic and effective measures which must be taken in order to cope with the problem of inflation. We say, first, that Canada must attain a greater measure of economic independence. Much of our inflation has come from the United States and arises from the war in Viet Nam. Mr. Smith, the Chairman of the Economic Council, made that clear in his evidence before the Standing Committee on Finance, Trade and Economic Affairs. Professor Watkins, who wrote the report on foreign ownership for the government, put it much more succinctly when he said that not only have we lost the capacity to create economic growth in Canada, but the capacity of the Canadian government to create jobs and to control inflation is negligible. The Prime Minister's statement that we have only a 15 per cent marginal economy indicates the extent to which we are dominated and controlled by economic decisions made in the United States.

• (3:30 p.m.)

It is increasingly apparent that Canada must have a greater measure of economic independence if we are to pursue policies which will promote economic growth, provide full employment and assure a larger measure of price stability. As you know, Mr. Speaker, the take-over of Canadian industry by United States corporations is accelerating at an alarming rate. In July, 1969, the Department of Consumer and Corporate Affairs reported the following figures in connection with foreign take-overs in Canada: In 1963 there were 43 take-overs; in 1964 there were 96; in 1965 there were 83; in 1966 there were 87; in 1967 there were 90, and in 1968 there were 174. We contend that immediate action is required to reverse this trend, one that is eroding Canada's economic independence and preventing us from having the manoeuvrability which is so essential if we are to have a greater measure of control over our economic affairs.

We suggest there are a number of steps to be taken in this direction. First, we think that Canada should move toward establishing a floating exchange rate. This would give us a greater degree of flexibility in pursuing a monetary policy that is more appropriate to our needs. Second, we contend that there should be full disclosure by all large companies, both public and private, of the real source of ownership. Third, there should be legislation to prohibit foreign ownership in key sectors of our economy, as has already been done in the case of banks and the news media. There should be stronger anti-American combines legislation to inhibit foreign mergers, and there should be a take-over tax to restrain the absorption of Canadian businesses by foreign investors. Fourth, we believe we must establish a Canadian commercial corporation, as recommended by the Watkins Commission, to ensure that the goods produced in Canada can be sold on world markets without running afoul of the Trading with the Enemy Act in the United States.