

• (2030)

Finally, the Senate committee said they would—

—confess to having been much impressed by the thrust and conviction with which monetarists are able to put forward their views, by the obvious scope of their empirical research, . . . and by their undeniable impact on the whole field of professional economics and on the psychology of financial markets.

Mr. Speaker, I contend that this government has not provided a reasonable and good monetary policy.

[*Translation*]

Mr. Guy LeBlanc (Rimouski): Mr. Speaker, I find it hard to understand that the opposition can express, as it has today, such indictments of the government's economic policy, specially considering that since the first months of 1970 the government's monetary and fiscal policy has been definitely geared toward development and expansion in Canada and that the government has had to bear a very heavy load of expenses in order to stimulate the economy.

Furthermore, the government brought down, early in May, a budget designed explicitly to cope with the defects mentioned in the motion now before us.

Before considering specific programs, it is appropriate to recall some figures and facts related to our economy. Last year, for instance, our economic growth rate was 5½ per cent and the rate estimated for 1972 is approximately 6 per cent. This growth was certainly felt in the field of good and services.

Reference to figures for 1964 reveals that the value of our exports of finished products was \$1,400 million for that year whereas in 1971 this figure was \$6,600 million. The difference between those two amounts represents an average annual increase of 25 per cent. Canada's commercial surplus in 1971 was \$2,100 million and was second only to that of 1970, which was the highest ever.

If you also consider housing starts for 1971, you realize that 233,000 units were produced, which was an unprecedented achievement.

As a matter of fact, the government has taken very wise measures concerning the economy. However, what many people will not recognize is that sometimes business does not respond immediately to economic indicators and incentives used by governments or by the most aggressive groups in this country.

When economic conditions become more encouraging, there is first an increase in business and industrial productivity, in an attempt to keep pace. However, a certain period of time has to elapse usually before the increase will result in investments and expenditures. I believe it is very important to take into account the adjustment period that extends from the beginning of an economic revival to the beginning of the upswing in investment.

But there is evidence that the economy is in progress and that the government measures show their good effects when we consider that companies report a 36.2 per cent increase in profits for the first quarter of 1972.

As far as the incentives programs are concerned, it is good to look at some of them within the framework of the Department of Regional Economic Expansion policy, which usually highly interests the members of this House.

Employment Incentive Programs

Under the incentives program to industry, a program which promotes and encourages the manufacturing industry in the Atlantic provinces, for instance, at the beginning of February last, 249 grant offers had been accepted.

Under the Regional Development Incentives Act, capital expenditures amounted to approximately \$201,000,000, thus contributing to the creation of 9,800 jobs, equal to 19 per cent of the total number of jobs expected under the program for the whole of Canada. This percentage is much higher than the unemployment rate of the Atlantic regions compared with the rest of Canada.

What is unusual is that everybody—liberal members and the liberal government prove it every day—is highly interested in reducing the rate of unemployment and in creating new jobs. It is recognized that the unemployment rate is much too high. In fact, we talk about a rate of 6 per cent but we never mention the other Canadians—the 94 per cent who are employed. We are wont to discuss only what goes wrong, yet there are many people working in Canada and living very well, a fact that makes Canada one of the most advanced countries in the world, and a fact that we are not ashamed to discuss with our colleagues nor with the citizens or groups of citizens of other countries which we occasionally visit.

I would like to mention the FRED program as it applies to northeastern New Brunswick and which is under way for the greater welfare of this area, and the Prince Edward Island development program which, according to the 1969 agreement, provides for a grant of \$118,500,000 by the Regional Economic Expansion Department.

In Quebec, the province where I live and where the constituency of Rimouski is located, under the grants to industry program, at the beginning of February, 671 grant offers had been accepted, following attractive requests from industries whose capital expenditures amounted to about \$600,000,000, in order to create 29,800 jobs.

In Quebec also, I think we must consider the five special zones created. As to the various community services, under the agreement creating these special zones, in this province as well as elsewhere in Canada, financial arrangements have been agreed upon within the program of assistance to provide secondary services in communities in view of helping already established industries and of attracting new ones; as at last March, these grants amounted to \$142,800,000.

I would also like to say a word about what has been accomplished in the Lower St. Lawrence and Gaspé regions towards rural and social development. Instead of being designated "special", that region has been called a "pilot region"; in this way it benefits from a number of grants applicable to special regions; but according to a specific agreement, it is designated as a "pilot region" for the purposes of the FRED program as applied to the Lower St. Lawrence and Gaspé regions. In 1971, when the agreement came under review, the Department of Regional Economic Expansion pumped into it an additional amount of \$153 million.

Many other places, too numerous to name, also enjoy similar benefits. I think of the Prairie provinces which, in 1972-73, will receive grants and take advantage of loans;