

The Budget—Mr. Walker

the frontbenchers, Mr. Maurice Lamontagne, who was chairman of the rally's committee on this subject, submitted a resolution asserting in part that:

—a new Liberal government would reassert control over Bank of Canada policy and shift it sharply away from credit restraint. This would mean more easily available loans and lower interest rates.

All during the regime of the Liberals they maintained a hands-off policy with respect to the Bank of Canada. They maintained that they had no control over the monetary policies of the Bank of Canada. Referring in parliament to the tight credit situation that existed in 1956 no less distinguished a member of the former government than the Hon. Mr. Harris, the then minister of finance, as reported at page 2216 of *Hansard* of that year, when discussing tight money and higher interest rates, suggested that these undesirable conditions could have been avoided, admitting that:

—it is true that the Bank of Canada could have further increased the supply of money and credit.

In other words at that time the hon. gentleman blamed the tight money situation on the Bank of Canada and admitted that the government of the day was powerless to control it. Yet the ghost writer of the Liberal party at the recent rally suggested that the government should re-assert control over the Bank of Canada, an agency that the Liberals always failed to control.

The resolution in connection with the exchange value of the dollar was highly eloquent. As a step to create more employment, the rally approved proposals to reduce the high exchange value of the Canadian dollar. This indicates that that part of the resolution must have been written a month ahead of the convention, no doubt by Mr. Lamontagne, because it is completely out of date and was completely out of date when the rally took place. The Conservative government, due to the brilliant baby budget introduced by the Minister of Finance, had at that time already reduced the Canadian dollar almost to par.

In his 1957 budget speech the Liberal Hon. Walter Harris boasted of the 4 per cent rise in the exchange value of our dollar during the previous 12 months and sought praise for this rise as a factor minimizing price increases in Canada. The hon. gentleman said on that occasion as reported at page 2216 of *Hansard*:

I should add that Canadian prices would have risen by more than they did had it not been for the 4 per cent rise in the external value of the dollar.

In those days hon. gentlemen opposite boasted about increasing the exchange value

of our dollar and yet in the recent resolutions they seek to reduce it to par even though the resolution appears to have been written a month before the rally was held because a reduction had already occurred.

In connection with Canadian ownership in Canada of Canadian companies the Minister of Finance (Mr. Fleming) has done a thorough job in imposing the 15 per cent withholding tax. The rally resolved that action be taken to encourage Canadian participation in ownership of Canadian enterprises and to extend the principle that the boards of Canadian companies should comprise a majority of Canadian directors. That, too, must have been written a month before the rally took place because that is exactly what our Minister of Finance did in the interim. May I recall to the Liberals who, after having been thrown from office, have had a change of heart because they did not think that way even in 1957 when, as reported at page 2214 of *Hansard* of that year, the then Liberal minister of finance, the Hon. Walter Harris said:

—the most striking feature of 1956 was the extraordinary increase in capital investment. 1956 was the greatest year of capital expansion in our recent history. A good deal of this investment program was financed from outside Canada.

The hon. gentleman was boasting about it at that time but now hon. gentlemen opposite would do away with this. The hon. gentleman also went on to say:

The net inflow of capital into Canada was \$1.4 billion.

That year's inflow represents about one twelfth of Canada's foreign debt at the present time. There was no aid to Canadians at that time but there was 100 per cent aid to the people of the United States including the putting up of \$100 million by way of a loan to foreigners to help them build the trans-Canada pipe line.

Just to show both faces of hon. gentlemen opposite, let me refer to what was said at the Liberal rally with respect to the question of unemployment insurance. The subcommittee on unemployment advocated the payment of higher unemployment benefits, including supplementary payments which would raise the benefits to two thirds of the previous earnings of any unemployed person undertaking a vocational training course to equip him for another job.

My hon. friends opposite went so far as to recommend that this assistance should be increased but they left it to the Conservative government to do so. Although the hon. gentlemen opposite recommend that these payments should be increased at this time I recall that not so long ago the hon. member for