

In the October budget, I forecast a gain in the gross national product of about 8 per cent. It now appears that the growth rate will surpass 8 per cent and push the G.N.P. for 1968 to an all-time high level, well over the \$67 billion level. Further, as my colleague the Minister of Labour (Mr. Mackasey) mentioned, and it was also mentioned yesterday by the Leader of the Opposition, the latest monthly figures on unemployment have fallen below 5 per cent. They help to confirm a declining trend in unemployment since last mid-summer.

• (9:20 p.m.)

It is also clear that productivity rose significantly, and our ability to compete in our main foreign markets, far from deteriorating as alleged by several speakers opposite, actually improved during the past year. This is attested to by the remarkable upsurge in exports, which even the Leader of the Opposition has had to acknowledge in some sort of unhappy and sad way. The result has been a highly favourable trade balance for Canada in the past year, which coupled with the continued inflow of investment capital has reinforced the basic strength of the Canadian dollar. As hon. members know, our dollar has been trading at or close to its upper limit for many months now.

Further, since the government successfully renegotiated the arrangements with the United States, we continue to enjoy preferred access to United States capital markets without the limitations of any numerical target on our foreign exchange reserves. We have undertaken not to borrow from the United States for the purpose of increasing our foreign exchange reserves. However, our reserves are free to move in accordance with the needs of our domestic economy, and we have secured greater potential flexibility and freedom in the operation of monetary policy in this country. In recent months our reserves have increased and are, I should point out to hon. members, in an extremely healthy position. All this reflects the high degree of confidence in Canada and its economy to be found in the outside world.

It is remarkable that among investors outside Canada, those who can stand back and observe our performance and prospects in a straightforward, objective manner—those who are not subject to the neurotic fear of impending doom which seems to infect the opposition benches—there is nothing but the strongest degree of confidence in Canada and the Canadian economy—

Alleged Failure to Reduce Unemployment

Some hon. Members: Hear, hear.

Mr. Baldwin: Is that why they are cashing in their bonds?

Mr. Benson:—and an appreciation of the soundness of its economic policies.

Mr. Nesbitt: We heard the same speech ten years ago.

Mr. Benson: Mr. Speaker, an hon. member said that he heard the same speech ten years ago.

Mr. Nesbitt: And written by the same people right up there in the gallery.

Mr. Benson: But I assure the hon. member that he did not hear it seven years ago, when he was a member of the party in power in Canada.

Some hon. Members: Hear, hear.

Mr. Benson: Needless to say—

Mr. Nesbitt: On a question of privilege, Mr. Speaker, the minister went out of his way to make an observation concerning myself. That is fine; but on a question of privilege I should bring to Your Honour's attention that a few moments ago the minister made a point of saying that the great boom and prosperity started in the 1960's.

The Acting Speaker (Mr. Béchard): Order. The hon. Minister of Finance.

Mr. Benson: I was simply stating the facts, Mr. Speaker.

An hon. Member: That is quite a change.

Mr. Benson: I would like to look forward to what I think will happen in 1969. Needless to say, I share the confidence and optimism of these detached, outside observers who have confidence in the Canadian economy, rather than the gloom and fear of members of the opposition who really have not any faith in this country of ours and the opportunities that lie within it.

Mr. McIntosh: We have no faith in the Minister of Finance.

Mr. Benson: You do not even have any confidence in the Leader of the Opposition.

Some hon. Members: Hear, hear.

Mr. MacEwan: When do you intend to balance the budget? Give us a rundown of that.