two years ago. The Leader of the Opposition made the same kind of speech as was made on that occasion by the hon. member for Ottawa West and the hon. member for Welland (Mr. McMillan) made the same speech almost verbatim as he made at that time and as he has made numerous times in the house.

This is a measure of the alleged emergency. This is a measure of the urgency in the minds of members of the official opposition in reference to the subject of unemployment. The Leader of the Opposition, deliberately avoiding a debate on unemployment, introduced instead a theoretical lecture on the subject of monetary policy—

Mr. Martin (Essex East): Much needed.

Mr. Fleming (Eglinton): —with all the Lamontagne earmarks attached to that lecture and the whole speech devoid of so much as one single constructive suggestion. It was buttressed not with new evidence but with stale assertions. So much for the alleged emergency, Mr. Speaker. Monetary policy was the subject that was chosen.

Mr. Pearson: We will deal with unemployment tomorrow.

Mr. Fleming (Eglinton): Another interruption from the Leader of the Opposition, Mr. Speaker. I did not catch it but it will be on the record—

Mr. Pearson: I hope so.

Mr. Fleming (Eglinton): —and that will warm his heart.

Mr. Martin (Essex East): He said that we will be discussing unemployment tomorrow.

Mr. Fleming (Eglinton): The subject of monetary policy has a bearing, of course, on economic conditions. It has at any time. I am sure that the importance of monetary policy in its proper sphere will be denied by no one. The importance of monetary policy can, of course, be exaggerated and it suited the purposes of the Leader of the Opposition yesterday, of course, to resort to this favourite Liberal tactic. I am not going to make extended comment on this particular aspect of the matter. I could say a great deal on this subject but I will simply put on the record for the instruction of the hon. member for Essex East—

Mr. Martin (Essex East): Thank you.

Mr. Fleming (Eglinton): —a statement made several years ago by the late James Muir, then president of the Royal Bank of Canada. I quoted this statement on August 11, 1956, as found at page 7460 of *Hansard*, and it is in these words:

Experience shows that monetary policy is more effective against inflation than against deflation. But there are dangers. As I have already pointed out, the policy may go too far. It may also be unselective, curbing healthy as well as unhealthy or excessive bank credit.

No less a person than Lord Cobbold, the governor of the Bank of England, said in a speech in Edinburgh on February 9, 1961:

I also accept—indeed it is a theme which I have myself argued for many years past—that monetary policy cannot cure all ills and that it is a great mistake to expect it to carry loads which should be carried in other fields of government policy.

Mr. Speaker, I think that these are words that will help to put this subject into its proper focus and perspective. However, Mr. Speaker, the issue that the Liberal opposition has chosen to raise in this debate is an issue as to where responsibility lies with respect to monetary policy in Canada. The Leader of the Opposition has certainly striven to the utmost to create maximum confusion on this subject and then exploit it. Let me leave no doubt in the mind of any hon. member in this house, Mr. Speaker; the government is always prepared to assume its responsibility. It will always measure up to that responsibility and will hold itself accountable to parliament at all times. We have given abundant evidence of that respectful relationship. And, sir, so far as I am personally concerned in this relationship that the minister of finance has with the Bank of Canada, I also give the house full assurance that any matters on which the minister of finance has responsibility, has any duty cast upon him, so long as I have the honour to hold this office that responsibility will be accepted. There will be no attempt to deny or reduce it. But, Mr. Speaker, I am not going to pretend before this house that I have the power in certain areas that I do not, as minister of finance, possess. I do not think it is proper on an issue of this kind for the Leader of the Opposition to pretend that the power or authority which exists is held by the government or the minister of finance when in fact parliament has legislated otherwise. The government is not omnipotent; parliament is, within the terms of the British North America Act and federal jurisdiction. The government's power in all matters financial is derived from parliament; it depends upon enactments.

Mr. Speaker, the Leader of the Opposition sought yesterday to create or present an issue as though it lay between the government and the Bank of Canada. I shall have something to say on this subject. I say, Mr. Speaker, and this is the keynote of what I am about to submit, that in the field of monetary policy parliament has given the essential authority to the Bank of Canada and not to the government or to the minister of finance.