

Government Monetary Policy

snows rather than unemployment which the minister suggested would disappear when the snow melted in 1960.

We also find that the minister was wrong not only in 1959-60 but also in 1960-61 to the extent of 50 per cent at least in calculating the growth of our economy in real terms. We then had much fanfare about a special parliamentary session and accompanying that session we were to have a supplementary budget. I have indicated that there seems to be a tremendous amount of drift and procrastination and I say perhaps nothing demonstrates this more than what has happened during this session. We convened in haste and we in the opposition co-operated. We were asked to provide legislation for a productivity council. The council is not operating yet but the legislation was passed before Christmas. We were asked in the budget to provide double depreciation for new industries that might be established in depressed areas. All that has to be done in this regard is to pass an order in council. We have not got that yet.

So far as the National Housing Act is concerned, there was perhaps some opportunity for work-making features here. However, I want to remind the house that as recently as last July the government seemed to be wrong in its guess as to what would be needed in the housing field because the Minister of Public Works (Mr. Walker), who is responsible for housing, blamed the Minister of Finance for having to turn off the tap. According to a press release of July 15 the Minister of Public Works said:

The present direct lending policy was restricted for fiscal reasons.

Well, Mr. Speaker, we know that in the months of July, August, September, October and November, 1960, housing starts declined 21 per cent, 35 per cent, 24 per cent, 20 per cent and 28 per cent in relationship to the previous year. This is the kind of forecasting as to our economic needs that we have been getting from the present government.

I suggest to you, Mr. Speaker, in conclusion that I cannot think of anything that this government has indicated to the Canadian people stood high, in its estimate, as an objective in finance policy, which this government has carried out. It talked about balancing the budget. We have each year had deficits of tremendous amounts. The government has said that spending should be reduced. I think the main estimates presented by this government this year in comparison to the estimates last presented by a Liberal finance minister are greater by about \$1,400 million. Within a matter of weeks after taking office in 1957 the Minister of Finance (Mr.

[Mr. Benidickson.]

Fleming) rushed down to Hollywood, Florida, and made a speech in which he said that he was glad to be able to say that the cost of living had been checked. The cost of living index, when this government assumed office in June of 1957, was 121.6, and despite a recession we have the paradox that the cost of living index has gone up 8 points; as of December 31, 1960 the index stood at 129.6.

Mr. Speaker, I say that with this record the house and the country should be tired of the assumption from the minister that everything will come out all right, and with a bits and pieces form of legislation which is certainly not satisfactory. This thing has not been thought out in all of the years I have enumerated and the situation this winter is more serious than in any of the post-war years.

Mr. Bell (Carleton): Will the hon. member permit a question? Would the hon. member indicate to the house why he did not make this speech during the debate on the budget which concluded only 16 days ago?

Mr. Benidickson: I thought the hon. member for Carleton was the one complaining that I spoke too long on that occasion. I knew that some of these matters should be reserved for the debate on the resolution.

Mr. Chevrier: This speech is perfectly in order.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, at this time we are being asked to condemn the government for its share of the responsibility for the economic conditions in this country. I should like, Mr. Speaker, to take a good look at the economic conditions of this country, but I should like to look at them through the very document which the opposition seems to regard so gleefully; the latest dominion bureau of statistics weekly bulletin dated February 17, 1961. This is the bulletin in which the figure on unemployment was given, and which contains, as well other very important features which indicate a very sound situation in this country but which were overlooked. I should like to deal with these matters one by one.

The Leader of the Opposition (Mr. Pearson) in moving his amendment touched lightly on the unemployment situation as a background for his complaint that economic conditions in Canada are bad. I should like to look at the other side of the coin; the other side of the picture, because there is another side. I should like first to discuss the question of employment because employment is something that is overlooked in these arguments.