

selves out of world markets. In that sense, as I say, we can price ourselves out of world markets. We must not allow our economy to inflate too quickly and neither must we embark on too stringent a monetary policy. I think it has been accepted that we must try to balance the scales in that regard.

Whether you judge the Minister of Finance (Mr. Benson) in a political or non-political sense, you will see that he has failed to balance the economy and to keep in step with the rest of the world. Here, he has failed miserably. He brought about a period of high inflation prior to 1968; that priced us out of world markets. Then he tried to curtail inflation too rapidly between 1968 and 1970 and, since it became cheaper to import goods than to produce our own, we were also priced out of the market. Our money became more valuable and that increased the price of our products in world markets. Both actions have brought the same result.

It is no wonder that the hon. member for Duvernay (Mr. Kierans), who was formerly minister in charge of the Post Office, resigned. He became thoroughly disgusted with the inept job the Minister of Finance is doing. In other words, he passed judgment on the government. He had given advice to the Minister of Finance. One could read the speech that the hon. member gave on June 2, 1970. He recognized, on June 2, that the Canadian dollar was strong and far stronger than the American dollar. If I had time I would read what he said in that speech about the floating of the Canadian dollar. He recognized that if we were not careful, we could price ourselves out of world markets, especially if we adopted too stringent a monetary policy.

It is interesting to note what Mr. Rasminsky, head of the Bank of Canada, had to say about this matter. The *Toronto Telegram* of Friday, April 30, contained this report:

Mr. Rasminsky's position on the direction of economic policy is this: Economic growth should be geared to ensure a steady reduction in unemployment while simultaneously 'avoiding an expansion so rapid that it would over-shoot the mark.'

In other words, he recognizes clearly this question of balance. We must maintain this balance which involves on the one hand our own economic and monetary policy and, on the other, the actions of those with whom we trade. Canada really is a major trading nation. In British Columbia, the Prime Minister said that almost 50 per cent of our goods are exported. I think the figure is higher than that. I think probably about 70 per cent of Canadian production, either directly or indirectly, is export oriented. Our monetary policy, in other words, must keep in step with that of our trading partners, basically the countries of the western world. The Minister of Finance has failed miserably to accomplish this. If we had kept in step we would not have needed to float our dollar, unless he wanted our dollar to come up to par with the United States dollar. I have not heard him say that. On the other hand, I have heard him say that he wants our dollar to be worth 95 cents or less in terms of the United States dollar. He ought to be taking steps to do that and he is not doing so.

#### *Measures to Improve Economy*

The Prime Minister is still caught up in his fears about inflation. He wonders which is best, high employment and high inflation or high unemployment and no inflation. You cannot state the problem that simply. We have to consider the rest of the world. If there is inflation in the rest of the world, surely we need some inflation in Canada, although I should like to think of it as being lower than that in the rest of the world. Otherwise, our dollar would become too strong and we would price ourselves out of world markets in that way, as well. We can clearly see that we have been out of step with our trading partners in the western world. We must get in step with them, because a great deal of Canada's employment depends on export projects.

Why does this country which is capable of producing a great deal depend so much on exports? We do not have to depend on exports. The fact of the matter is that we can buy imports more cheaply than the goods we can produce here. So, we must get in step with the rest of the world so that Canadians can be induced to buy Canadian produced goods and so that Canadian produced goods have a chance in the markets of the world. The Minister of Finance has failed in that Canada's monetary policy has not kept in step with policies prevailing in the rest of the world. He has failed miserably in creating an economic climate in Canada in which the current work force will be absorbed in the economy and in which the increase in the labour force, an increase resulting from the natural rate of growth in this country, will be absorbed in the economy. To my way of thinking that is the most serious charge to be made against the minister. I commend the hon. member for Duvernay for resigning from the cabinet. In doing so he pointed out vividly to the Canadian people that all was not well with our economic policies and that action ought to be taken.

I urge the Canadian people who are to go to the polls on May 31 in the four by-elections to register their disgust with the way the Canadian government has managed their economic affairs. One could talk about monetary policy all day; that really does not touch the imaginations of many of the little people throughout Canada. On the other hand, the subject does touch the pocketbooks of many of our little people and, as the hon. member for Vancouver-Kingsway (Mrs. MacInnis) so aptly put it, government policies have detracted from the opportunities of young people to become part of the growing and viable economy that we ought to have in Canada. I severely condemn the Minister of Finance because of his inept handling of the Canadian economy and economic policy in the past two years.

**Mr. John Lundrigan (Gander-Twillingate):** Mr. Speaker, on May 18, 1971, with June around the corner and July and August in our immediate future, with September looming, that being the month in which we begin to see lay-offs in small industries and decreasing employment opportunities, with the temperatures in the seventies and the prospect of temperatures rising to the eighties, we should not be talking about unemployment. It was no consolation to Canadians who listened to the Minister of Finance (Mr. Benson) today to hear that he