ing more jobless people. Meanwhile, there is a "made in Canada" ploy. You get the workers, through a regressive tax, to pay for the unemployment you created. No wonder the Postmaster General (Mr. Mackasey) left in disgust.

Is it any wonder, Mr. Speaker, that we in this minority party are incensed? We well realize that the health and hospital insurance plans referred to previously, as well as the unemployment insurance plan, grew out of the fertile minds and experiments of the founders of the CCF and this party. Senator Madam Casgrain reminded Mr. Pickersgill of this historical fact last year at a conference at the University of Western Ontario which was probing Mr. King's contribution to Canadian political life. We have seen the Liberals take these ideas and build them into a compassionate welfare system that our party was proud to have originated.

This budget of the Minister of Finance of June 23, 1975, attempts to reverse this historical process. Little wonder that the backbench Liberals over there did not like our parliamentary leader pointing out that the action of this Minister of Finance turns the social history of our country upside down. It struck too close to home—or maybe they just did not understand.

So much for the late Lester B. Pearson's concept of "compassionate Liberalism". What we have now is "limited liability Liberalism". It would be a joke if it were not so tragic. We should not be surprised that a minister of finance with that philosophy would be so indifferent to the housing needs of Canadians. It is an industry that is in dire need of rejuvenation, by practically everybody's diagnosis. It is little wonder then that those who see the tremendous shortfall of housing we are going to face next year should declare, "The crisis is here and the ostrich has put his head in the sand, hoping that it will go away. Isn't he going to be surprised!"

● (1720)

I want to say a word about the moneys allotted in this budget for training and mobility allowances, as they affect the development of the Atlantic region. We welcome the extra $70 million put into the Canada Manpower training program. Let us hope that it will not be used to train square pegs for round holes or, worse still, for non-existent holes—meaning no jobs after training. We have had enough of that in certain areas of the Atlantic region, like Cape Breton. These programs can sometimes be used as another means of welfare; and of course trainees do not show up in unemployment statistics. Thus the full impact of the recession on the labour force can be hidden.

There is to be an extra $10 million allocated to help workers relocate through use of mobility grants. Mobility out of a region is usually a highly selective process with respect to age, skill level, and education. Recent research suggests that net out-migration does not alleviate a region's unemployment problem as much as it was once thought. A research article in the *Canadian Journal of Economics* of November, 1970, demonstrated that "for every five unemployed persons leaving the Maritime region, two people become unemployed."

Figures for the 1965-1974 period show how many people have been leaving Nova Scotia and Newfoundland for other parts of Canada. The same is true of New Brunswick and Prince Edward Island, although in the case of the latter province this trend has been less pronounced because of some positive immigration in the 1970-1974 period. In the case of New Brunswick it is possible that the relatively recent high influx of temporary foreign construction workers upset longer predominant trends. Let us hope that the retraining program will help to rectify this situation.

Mr. Benjamin: Don't bet on it.

Mr. Hogan: The Minister of Finance has played on the fears of Canadians by suggesting, with short-run, questionable unit cost comparisons, that we are losing our competitive advantages vis-à-vis the Americans. As Nathan Bossen, the Montreal based economist has noted, unit cost comparisons under conditions of fluctuating exchange rates—even leaving aside the definitional method of data collecting which has distorted wage and productivity indices by which we have measured the change in the comparative competitive positions of various countries in the last five years—show that relative changes in unit labour costs have little to do with performance in the arena of world trade.

Canadian unit labour costs have, in fact, declined marginally over the past five years and over recent months relative to the costs of our trade partners. But the minister creates a bogeyman and plays on our fears of becoming another Britain; he rejected out-of-hand the devaluing of the Canadian dollar. This, he argues, would raise the price of imports and thus fuel the desire for higher Canadian wages. He warns us that this is "the slippery slope that Britain has gone down." What a nonsensical analogy! Somebody ought to have told him that in the three months ending in May, the Canadian Consumer Price Index rose at an annual rate of 7.1 per cent. Of course his oil price policy, according to his own department's estimate, will add 1.6 per cent to the Consumer Price Index.

In my opinion, Mr. Speaker, a policy of maintaining an overvalued currency, a policy of artificially propping up the Canadian dollar with our foreign exchange fund for fear of importing inflation, is a poor exchange rate policy. The minister has shown no decisive evidence that our imported inflation is high, or would be high with a clean float. Actually, he has been arguing the reverse since November, saying that imported inflation arising from food and commodity shortages and the oil price explosion has now given way to internal wage-push inflation.

The other method of keeping up the value of the Canadian dollar is by maintaining high interest rates to attract foreign money. This foreign money creates a demand for Canadian dollars and thus holds up their value. If the government, in addition to promising financial restraint in the budget, is to impose a restrictive monetary policy through the Bank of Canada and thus allow interest rates to remain at their present high levels or even climb to higher ones, we are in for a very deep depression in this country.

The high interest rates which are necessary for maintaining the value of an overvalued currency affect Canadians as well as foreigners. They mean higher prices for our money, which is a means of exchange; these higher money costs restrict home building, apartment construction, and