

The Budget—Mr. Benidickson

in addition to the debt of perhaps \$14 billion net that we older people left you, another \$700 million approximately as of today. We do not know when we will pay it. That will be a burden upon you as you grow older”.

Despite the promises of this administration prior to coming into power, nothing has been done for the municipalities. I could quote, but I will not do so, the lavish inducements that were given to representatives of municipal governments and their taxpayers in regard to assistance they might be given if the Prime Minister assumed his present post.

In so far as employment is concerned, I am satisfied that much more can be done at the municipal level, and much more quickly, to reduce unemployment in the municipalities, if the municipalities have the proper resources, beyond that which can be done by some fancy federal public works building that usually requires a great deal of long range planning and so on. I think this budget contains \$10 million of tax forsaking for the encouragement of more efficient business. I look across to my hon. friend the Minister of Trade and Commerce. Rumour has it that he meant what he said across the country, that he wanted exports to increase and he would do his best in cabinet discussions to see that exporters in this country were not non-competitive; he would do his best in connection with tax situations that put industries in an unfair position in respect to their competitors.

We have a section in this budget dealing with depreciation allowances. As I say, the cost to the treasury is \$10 million for 1961-62. That is not very much when compared with the ambitions of the Minister of Trade and Commerce for our export trade. I believe almost everybody thought the minister would be successful in encouraging those in the export field by providing some spur from this government in the form of tax incentives. However, there is nothing in this budget in that connection. There are many who believe we could not lose anything by giving a tax abatement for the first two or three years of production to new industry which has never provided tax in the past. We do that for the resource industries. If the government has not been getting any taxes at all and an industry is likely to encourage the production of taxes in the near future, would this not be an incentive that would mean something? The Minister of Trade and Commerce looks rather sad. I think perhaps he got the facts of life from the Minister of Finance.

Mr. Hees: That is not why I am looking sad.

Mr. Benidickson: But while we need this at this time, and though we needed it a year ago, nothing has been done. Perhaps now it cannot be done because, as I say, the treasury is bare and broke.

There are other suggestions of this kind with which the minister is familiar. I was impressed, as I am sure a great number of other members were impressed, as to what this restraint means because of past commitments and decisions. The most worthwhile thing we should be thinking about are ways and means of reducing to a minimum the canker of unemployment. I read with grave concern the report of the Senate committee in this respect. They said they hope we shall get at this time bold actions. The Senate said that large amounts of money would be required but that mass unemployment in itself entails the expenditure of large amounts of money.

The Senate committee estimates that unemployment benefits and unemployment relief cost Canada roughly \$600 million last year. In addition there is a production loss—and this is a factor which should always be in our thinking—which may be put close to \$3 billion. On top of this is the social and psychological damage caused when hundreds of thousands of men are unable to find work. This cannot be afforded. It simply means that we have to be in a position to deal with this in a financial way, and I think the Minister of Finance, when we are engaged upon a discussion of Canada's finances, must be prepared to do that.

As I see it, those are the bare bones of the dollars that are involved and are upsetting ways and means. After two hours and 30 minutes the facts come out, but of course they come out only when we see the text when we read *Hansard* because they are contained in a table which goes to the Clerk. But the grand words of the minister go out to the press beforehand. We have a deficit of a thousand million dollars—

Mr. Fleming (Eglinton): That is the cash deficit.

Mr. Benidickson: That is the cash deficit. The minister, of course, having been found wanting in his prognostications in a specific way got a little timid this time and took the attitude well, it will likely be \$650 million but I want a little insurance this time so that I shall not be criticized for being a bit out. Of course he was out this last year to the tune of some \$350 million; the difference between a \$12 million surplus and a \$345 million deficit is actually more than \$350 million. However, the minister has done the unusual thing here, and he has a spread of \$100 million. Besides this, he has not been