

a major expansion of the economy as the dangerous pressures of inflationary prices have been brought under control. To refresh the memories of hon. members of the opposition, I would like to outline briefly the measures the government has taken to turn the economy around—

Mr. Baldwin: Turn it upside-down!

Mr. Benson:—during the past nine or ten months. Last March although the financial critic for the official opposition was wringing his hands about inflation and suggesting spending cuts and tax increases, we produced an expansionary budget, a switch on a cash basis of over \$750 million. In June we increased outlays to the provinces by some \$350 million. Another \$73 million went into a summer employment program for students, and expanded social assistance programs. In August, we pumped an additional \$100 million into the 1970 CMHC capital budget and a further \$140 million in 1971 to finance an additional 15,000 units of low cost housing. Construction of these housing units is already under way in regions where the need is great and unemployment highest. At the same time there was a special program of \$60 million for capital and other projects in regions of slower economic growth and for manpower retraining.

● (3:30 p.m.)

As I emphasized earlier, we did all these things in stages, as we found that we could responsibly take additional measures consistent with the maintenance of economic stability. By December we determined we could take further action, and we did so. The budget then provided for additional expenditures of \$100 million this fiscal year, and \$400 million in fiscal 1971-72, for a total of \$500 million.

In the December budget I announced a 10 per cent increase in unemployment insurance benefits, an additional \$23 million for capital improvement projects in areas of highest unemployment, another \$20 million for the development of roads and other local services for the new Montreal International airport, another \$40 million for CMHC for additional low cost housing construction on top of the 15,000 units mentioned earlier, loans totalling \$150 million to the provinces for quick job-creating capital projects, an industrial incentives program for southeastern Ontario and southwestern Quebec, direct loans and loan insurance to the footwear industry, substantial assistance to the shipbuilding industry, and a capital cost allowance supplement to encourage an early expansion of capital investment in the manufacturing and processing industries. I said then the \$150 million loan program was to encourage provinces immediately to undertake projects that they could not otherwise afford to finance at the present time.

Activity is moving ahead rapidly. We have reached agreement with Quebec on a full allocation of their \$70 million share of the fund. Contracts are being let for sections of an auto route through the city of Montreal which will form part of the trans-Canada highway. Already, there are 1,000 men at work on the site and the Quebec government expects 2,400 men to be at work by

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April. Several times that number of jobs will be created in supplying and carrying material to the site. Our officials have agreed with the government of British Columbia on allocation of that province's \$37 million share of the loan fund for municipal projects in the province. B.C. plans work on these to start immediately. We have been meeting with the other provinces in order to expedite projects and they will be submitting applications within days. There will be no delay in granting approval for qualified projects.

We are accused by the opposition of being complacent about unemployment. This allegation is pure nonsense. The Prime Minister (Mr. Trudeau) and his cabinet spend the bulk of their time studying and taking action aimed at improving the circumstances of Canadians.

Mr. Baldwin: That is not what we see.

Mr. Benson: That simply proves that as usual the opposition has not been listening for the last five minutes. We took the decisions which succeeded in bringing under control the worst peacetime spiralling of prices and costs, and we have and will take the decisions to achieve a substantial and sustained economic expansion.

The effect of all these changes in fiscal and monetary policy over the course of the past 10 months has been to provide a very large stimulus for expansion of the Canadian economy. Predictably, however, they have not satisfied members of the opposition. These opposition parties, Mr. Speaker, were totally devoid of any sound policies or programs for dealing effectively with earlier problems that plagued our economy and they are bankrupt of sound ideas in respect of our current needs. They are engaged, I believe, in a frantic scramble to outdo each other in their demands for massive tax cuts and increased government spending without the slightest consideration for the severe damage that could be inflicted on our economy if their proposals were adopted. The official opposition, the Conservative party, appears to have as many ideas about the economy as it has spokesmen. This should come as no surprise to anyone, for when they were in office several years ago—and some members of that government are still seated on benches opposite—the nation suffered through the longest and most severe bout of unemployment in the postwar period.

As an example of will-o'-the-wisp thinking of the Conservative party, we have only to look at the shifting position of the party's financial critic, the hon. member for Edmonton West (Mr. Lambert). Last March, when the government saw the time had arrived gradually to restimulate the economy, he complained about the \$900 million increase in spending that was proposed. "That is not controlling expenditures," he said. "If there were to be real control, if there were to be a real fight against inflation by fiscal measures, we would be taxing to defeat inflation, not merely to catch up with the bills that are coming into the government." In October, seven months later, he told us that the spending measures taken in March were not enough. He said that a "much more massive injection must be furnished by the government."