

*The Budget—Mr. Benidickson*

it was not mentioned in the review of the economic situation given last night by the Minister of Finance.

Sometimes reports such as I have indicated which come from a domestic source, the *Financial Post*, are challenged by members of the government. Therefore, in connection with whether or not we have been having the best three years that Canada has ever had, in real terms, in terms of normal growth, and so on, I would like to refer to something outside the country which has a reputable standing.

I refer to the general statistics of the organization for European economic co-operation. In their report, with 1953 as a base of 100, they say that the per capita gross national product for Canada in 1953—as I say, with a base of 100—went to 106 in 1956, and in 1958 it was down to 99. I should like to put the situation in other terms, because the minister has always attached a good deal of importance in his economic forecasting to the gross national product and this, of course, is understandable. I have prepared a table of gross national product per capita in constant 1949 dollars. If we take 1949 as being 100, we find that in 1960, based on reports for the two quarters, the index has declined to 95.2. I referred a few months ago to this all-important question of gross national product. The minister pointed out last night that the report showing the national accounts of income and expenditure for the third quarter was not available and that, of course, is true, because, certainly for our consumption, it did not become available until this morning. It became available, as so many of these reports do, after the ministry has had some statement to make.

**Mr. Pickersgill:** Except when they suppress them altogether.

**Mr. Fleming (Eglinton):** That remark cannot be allowed to pass. The hon. member for Bonavista-Twillingate used the word "suppressed". I wish to know if there is any suggestion that reports from the dominion bureau of statistics are suppressed. I can assure the house that the release of these reports is a function of the chief statistician, and no one interferes with him.

**Mr. Pickersgill:** There was no such suggestion. The minister knows perfectly well I was referring to the suppression by the former minister of trade and commerce of the "Economic Outlook for 1960," and we now know why it was suppressed.

**Mr. Benidickson:** I recall that in the budget debate following the presentation of the budget by the minister on March 31 the hon. gentleman was apparently ruffled when I pointed out to him that in his forecast of the

gross national product for 1959 he had been 50 per cent wrong, as events proved. I pointed out that when he made an estimate in his budget address of 1959 of what this country might do in 1959, he predicted that based on the stable prices, normal conditions, a continuance of peace, and so on there would be a rise, I think it was, of 7 per cent.

When the reports were adjusted to take account of price rises, the actual increase for the year, as I pointed out, was just 50 per cent of what he had estimated, namely between 3 per cent and 5 per cent. The minister took great offence at this, but year after year when a minister of finance has come before the House of Commons and given his prediction as to the gross national product he has invariably premised his prediction on the basis that there would be no increase in prices, no unusual external events and so on. But in 1960, for the first time, the Minister of Finance, having found himself wrong steadily in his forecasts, eliminated any suggestion that his prediction of a rise of 6 per cent was in any way tied in with stable prices. I just want to indicate what is contained in this report for the third quarter, and I quote from this publication by the dominion bureau which was released today:

Gross national product, seasonally adjusted, showed a fractional advance in the third quarter amounting to less than one half of 1 per cent.

Now we recall that the minister not so long ago, as recently in fact, as the end of March or the beginning of April, predicted we would see a rise of 6 per cent in the gross national product. But this statement goes on to say:

About half of the slight gain in the value of production in the third quarter was accounted for by a small change in final product prices. In volume terms the gross national product was very close to being unchanged from the level of the second quarter.

And the second quarter showed no progress. Again, the report says:

The increase in the third quarter was concentrated in our trade with European and other overseas countries.

My recollection of his speech last night is that the Minister of Finance was seeking to blame outside sources for the difficulties in which he found himself, and that he blamed particularly the situation in European countries as being partly responsible for the failure of the economy to reach the levels he had predicted not so long ago. This statement says that the increase in the third quarter was concentrated in our trade with European countries. Then at page 3 of the report, it is stated:

In the first nine months of this year gross national product has averaged 2.9 per cent above the same