

The Budget—Mr. Benidickson

Canada's industrial production slipped 2.4 per cent in April, seasonally adjusted. The ratio of unemployed in May was 6.2 per cent, which was worse than in the spring of 1958 and was indeed the worst situation for May since 1933.

It was obvious then that our economy was fast getting stuck on a plateau, in fact, it had started to slip. But the minister was continuing to say that conditions were good. He refused to let anybody in the opposition make a gloomster out of him and he refused, he said, to let anybody in the opposition make him worry.

Mr. Aiken: Is that wrong?

Mr. Benidickson: My point is that he should not be either blind or complacent.

Mr. Aiken: I am sorry; I should not have spoken from my seat. Would the hon. member permit a question?

Mr. Benidickson: Yes.

Mr. Aiken: Does the hon. member think it is wrong for the Minister of Finance to have confidence in the future of this country?

Mr. Pearson: But he should not be blind to the facts.

Mr. Benidickson: It is wrong to be blind to facts such as I have indicated. I am wondering what advice the minister was getting from this vast group of economic specialists employed by the government, because I have pointed out that some of these things were even obvious to the opposition. And if they were obvious to the opposition, without a skilled staff of this size, certainly, I suggest, the minister seems to have been very wrong indeed in his forecast.

His colleague, who is perhaps closer to economic conditions than anybody else, at the same time, in May of this year, told people out in Winnipeg that Canada was on an economic rocket. This did not prove to be the situation. The minister, of course, was the former minister of trade and commerce speaking in his own city of Winnipeg, and he described conditions in those glowing terms, that Canada was on an economic rocket. This was in May.

Mr. Pickersgill: Just imagine what the present minister would have said.

Mr. Benidickson: Last night the Minister of Finance said this:

Last March I expected our rate of growth in 1960 to result in a gross national product about 6 per cent above that of 1959. Figures are presently available for only the first two quarters of 1960.

As an aside, Mr. Speaker, I may say that this morning we do have available the report of the dominion bureau of statistics for the

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third quarter, to which I will make reference in a short while. The first quarter of 1960 showed an increase of 5 per cent in the gross national product, as compared with the first quarter of 1959. The second quarter showed a comparable increase of 1½ per cent. The G.N.P. for the first half of 1960 was thus 3¼ per cent above the first half of 1959 and 2 per cent above the revised figure for the whole of 1959.

Again this is, even in the present stringency, an unduly optimistic presentation of the economic picture. We are getting from the leader of this country the same kind of what I say to my hon. friend for Parry Sound-Muskoka (Mr. Aiken) is undue optimism, and perhaps even blindness, or a lack of careful inquiry as to the economic facts. I say this because as recently as October the Prime Minister—widely reported—told not only his supporters but the country at large, "We have just had the three best years economically in Canada's history. I intend to let the record speak".

I would like to contribute something to the record this afternoon, because as my hon. friend for Bonavista-Twillingate said the other day, assertions do not make facts. I think the Prime Minister has an altogether unwarranted belief that words are greater than deeds. What, in real terms, in so far as progress is concerned, is the record of the three years to which the Prime Minister made reference? The *Financial Post*, in the December 3 edition of this year, on the editorial page, has this statement:

Real output per Canadian, after price increases have been removed, increased 13 per cent in the four years between 1948 and 1952. It increased by a further 7 per cent between 1952 and 1956. It will have declined by the same 7 per cent during the four years 1957, 1958, 1959 and 1960. This is a sad story, and even worse when we realize that this trend is still in a decline.

Mr. Pallett: Who was the writer of that article?

Mr. Benidickson: It is on the editorial page.

Mr. Pearson: Often quoted by government representatives.

Mr. Benidickson: The Prime Minister continues to say there is no economic emergency; there are difficulties. I ask just how bad must things become before it is recognized as an emergency? In November there were 429,000 unemployed; 6.6 per cent of the labour force. During the past two years over \$900 million have been spent in supporting the unemployed.

We wonder—nothing was said about this last night in the budget—about the state of the unemployment insurance fund. We wonder if there will be anything in this fund at the end of the current winter. But