

The Budget—Mr. Benidickson

production, more business opportunities for our industries." Here again is the usual very extravagant language of the minister regarding what is going to be done about our exports.

Mr. Hees: That is very true.

Mr. Benidickson: The Minister of Finance apparently has confirmation from his colleague the Minister of Trade and Commerce that this is the forecast. I hope they are both better prophets now than the minister was in connection with the over-all forecast regarding a surplus a year ago.

I should like to say in this connection that when emphasis is placed in this budget on the value of the government intervening in connection with exchange control, there is inconsistency; and I refer to the minister's statement on this subject in Toronto on January 11, 1960. He said that anyone seeking to buy Canadian dollars with United States dollars or other foreign exchange would create a demand for Canadian dollars, and this demand for Canadian dollars arises from our merchandise exports, from foreign tourist expenditures in Canada, from foreign purchases of Canadian securities and from a whole host of other transfers of funds from foreign countries to Canada. He also said the effect of Canada's very large deficit in its commodity trade and other current account transactions tends to raise the value of United States dollars in relation to Canadian dollars. Indeed, the larger the trade deficit the stronger is the upward pressure on the United States dollar as compared with the Canadian dollar. Those were the statements he made as late as January, 1960.

We are now told that the big thing in this budget is the likelihood that the government will assure that the Canadian dollar will remain at par or, indeed, at a significant discount. In the same speech we are told that we are going to eventually eliminate this imbalance of payments, and that this means, in the words of the Minister of Finance, hundreds of millions of dollars of exports. I think we are entitled to a little further explanation about this ambiguity.

I ask how expensive this is going to be if the minister is going to control the exchange as between the Canadian and the United States dollar. I am not complaining about his objective in this regard because we have urged the same objective but he is not telling us about the financial obligations which will result. I suggest they might be very severe, having regard to what he said last year. I am taking his word of last year, when he said that this would be exceedingly expensive. Then he said in his budget that exports were going to increase by hundreds of millions of

dollars and that this would help to increase the value of the United States dollar vis-à-vis our own. I suggest we have heard much too little from the Minister of Finance in this respect.

The minister also said in that same speech of January, 1960 made to the Canadian club in Toronto in respect to the premium—and he was referring to United States and foreign investors—that if outsiders wished to invest in Canada it was because they have confidence in our country and its financial soundness. I suggest that the minister has announced a tremendous cash and huge ordinary deficit as shown by the budget papers we have before us.

As somebody asked last night during the press conference program, is it possible that the minister is really thinking that this control on foreign exchange is in fact not going to be very expensive to him because in the ordinary course and due to some of the matters to which I have just referred, as the Canadian dollar will perhaps fall anyway in relation to the value of the United States dollar.

Mr. Speaker, I see it is almost one o'clock, but before we adjourn I should like to refer to a press clipping which I now have through the courtesy of my friend behind me. It is from the *Ottawa Citizen* of February 2, 1961 and contains a spanking, a whipping up, or cheering on by the Minister of Trade and Commerce. The heading is "Hees Blames Canadians for Slowup". The minister is reported in this article as follows:

"We are facing a difficult time and things are going to get worse before getting better".

This statement was made after the glowing report made to the citizens of Toronto in the annual statement of the Minister of Finance early in January, 1961, at which time he suggested there was no emergency and indicated just too much complacency.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Benidickson: Mr. Speaker, when the house took recess at one o'clock I was dealing with what I thought was one of the major items of interest in the budget—and there were not too many of them—that might have justified the delay in its presentation. I was dealing with the proposal of the Minister of Finance for a new policy with respect to foreign exchange control, which he argued against last year.