

The Budget—Mr. Benidickson

whom had in mind investing in Canada something in the nature of \$4 million in European funds, most of which would have gone into construction in one of our large cities. This program has been deferred because of this alarming talk about foreign investment. I am very glad the minister has made his own position clear, but I do think that the fiscal agent of the government and the minister should not be talking in opposite directions, and that this matter should be cleared up for the benefit of people who might bring funds here and create work, not only construction but production.

A great many pages of the minister's text last night were devoted, as one would expect of a Conservative finance minister, to proposals for hiking up items in the customs tariff. Now, the real item that is going to be before us as these resolutions later come for study before the house apparently relates to the made in Canada provision, the law upon which has remained constant since the time of the last Conservative administration under Mr. Bennett. What it appears is going to happen here is similar to the dumping legislation, we are going back to Bennett and his policies.

Mr. Fleming (Eglinton): Is the hon. member not aware that the order in council that governs this matter now was passed in 1936 under Mr. King?

Mr. Benidickson: My hon. friend said last night it was his intention to remove the operation of the law as it was established in 1936 under Mackenzie King and go back to the law as it was in effect under Mr. Bennett.

Mr. Bell (Carleton): Repudiate Laurier and Fielding.

Mr. Benidickson: I am a little more up to date than that. If my friends always want to go back, particularly back to Bennett, then, of course, they are exhibiting a Conservative trait, going backward rather than forward.

In the minister's revised statement of receipts and expenditures he made some reference to matters that he thought could not be foreseen when the budget was presented last March. One of them was, of course, the increase in the deficit of Canadian National Railways. I have not any greater foresight than the Minister of Finance should have but he will recall that about last budget time I indicated, on the basis of the monthly statements of revenues and expenditures that were being made public in the early months of 1960 for Canadian National Railways, there was a likelihood the deficit in 1960 for this railway would be much larger than the one to which the minister referred.

[Mr. Benidickson.]

Mr. Fleming (Eglinton): The hon. member says about the budget time last spring—will the hon. member give the date?

Mr. Benidickson: I believe it was in April. We had the April results, as I recall it at the time. In any event, there are some other matters that I do not believe were referred to last night when the minister forecast the expenditures for the balance of the current fiscal year. I do not recall that he said anything about expenditures that may be involved in the last quarter by the federal government in connection with participation in the Quebec hospital insurance scheme. Perhaps he had in mind that we would have a Liberal government in Quebec during 1960 and that we would get a hospital scheme in that province and, therefore, he made some provision for it. I am not sure that was so.

I am not satisfied that unemployment assistance contributions will not be necessary this winter much beyond those which have been presented so far in the supplementary estimates. I am wondering just how much lapsing there may be of public works, where employment is greatly needed. The minister last night referred to some \$30 million of additional lapsings that are likely to develop beyond what was in his mind last spring. I wonder whether these items relate to employment creating measures that were in the estimates of the federal government.

In the budget debate in the spring the minister indicated that he anticipated that there would be an old age security account surplus of about \$40 million. Not only since August have the general revenues been on the slump but the record indicates that in August, September and October there seems to be a trend in the same direction in the special old age assistance fund. I greatly question whether the minister is going to find in the fund sufficient funds to offset the deficit of the previous year of which last spring he refused to take account in the national accounts of 1959-60.

In connection with old age security, there is an extremely interesting financial result. If one looks at the fund and recognizes this government makes and boasts about an increase of \$9 in the standard contribution and if one takes that in its fraction to \$55 and relates it to the \$600 million which are disbursed, one finds that this increase amounts to about \$100 million in the course of the year. But if one also looks at the revenue side, one finds that for \$1 that this new government is disbursing for the old age security fund, on the new taxes which they imposed in 1959 they are taking in approximately \$2.

Mr. Pickersgill: This is the new social justice.