

The Budget—Mr. Benidickson

reach either parity or even devaluation of the dollar, which would greatly help our exports. We have never heard why the equalization fund spent the unprecedented amount of \$100 million in May of this year actually to prevent the dollar from sliding down to par.

Mr. Fleming (Eglinton): That is not true.

Mr. Benidickson: Well, it did. The press reports that an anonymous official of the minister's department or of the Bank of Canada said that this is a normal practice. The phrase was: "We were just leaning against the wind". Well, are these people carrying out these kinds of manoeuvres, spending \$100 million of the exchange fund in one month without the approval of the government, without it being in conformity with the policy of the government? I just draw to the attention of the house the fact that \$100 million in one month is the equivalent of the terrific drain on the United States gold reserves, which has caused them such anxiety down there in recent weeks. This matter which has been getting so much attention all across the country, and particularly in financial circles, as I say, has been completely ignored in any government statement. Just yesterday the press indicated that United States interest rates are falling and they are falling under the deliberate policy of the government agency in that country, the federal reserve bank. But here we do not know what the policy is. All we know is that on the contrary rates have been rising alarmingly.

While one may have to do a fair amount of digging to find very much in last night's presentation upon which compliments could be extended to the minister—as we say up in northern Ontario, you have to do an awful lot of digging of ore to find anything that glitters—I will say that in some of the proposals of the minister which are likely to encourage further participation by Canadians in savings and investments in Canadian enterprise, he is to be commended. But the important thing is, as I said at the beginning, these things are for the future and are things that will develop very slowly. Again we wonder why a budget was brought down if these are the major items in it, because certainly this was not a budget that was likely to meet the existing emergency which is one of unemployment.

I do know, because I was in New York for part of the fall, that some of the speeches that were being made by officials in this country greatly alarmed possible investors in the United States. Everywhere I went I received inquiries as to what the policy of the government was. After all, these scare

speeches would lead one to believe that there was an unfriendly attitude toward the import of foreign capital.

Mr. Bell (Carleton): To what speeches is the hon. gentleman referring?

Mr. Benidickson: I am referring to the speeches by the Prime Minister in which he said these things would be stopped. This was reported in the New York *Herald-Tribune*. I am referring, of course, to the statements by the governor of the Bank of Canada. I want to say that these things have been exceedingly alarming. I met down there an aggregation of ex-Canadians who were operating in financial circles, and they gave me chapter and verse with respect to United States investors who, because of these speeches, were scared off. I think all we have to do is ask the hon. member for Lanark (Mr. Doucett) whether or not he still thinks we might get this important investment by the Hershey candy company in Smiths Falls.

Mr. Bell (Carleton): Would the hon. gentleman permit a question? Would he be specific as to what speech of the Prime Minister he is referring?

Mr. Benidickson: I have not got that before me, but I certainly know the Prime Minister indicated that he was going to stop an undue amount of foreign investment in Canadian enterprise. This certainly has had a cooling off effect on the people who have been looking into possible places to build plants and carry on production.

Mr. Fleming (Eglinton): I wonder if the hon. member would be more specific about the statements which he attributes to the Prime Minister? Making due allowance for paraphrasing, I do not recognize any similarity between these statements and any statement made by the Prime Minister.

Mr. Benidickson: I will get that.

Mr. Fleming (Eglinton): There was a statement in a newspaper about 10 days ago, the accuracy of which was immediately challenged by the Prime Minister in this house the following day.

Mr. Benidickson: I will see that this is provided later in the debate by someone from this side because I can certainly attest to the alarm that has been caused by this kind of speech-making which has been indulged in by members of the ministry and by the chief representative of the fiscal agent of the government, the Bank of Canada.

I had some conversations a couple of weeks ago with an economist who is engaged largely by prospective European investors, one of