

# Continued Help Needed In Recovery, Fleming Says

By ALAN DONNELLY  
OTTAWA (CP) — Premier  
Miles Fleming presented an  
"expansionist" budget Tuesday  
night and said economic recovery  
needs continued stimulus.  
He forecast in the Commons  
a seven-percent rise in gross  
national product in 1968 which  
would push national output to  
\$39,425,000,000 from last year's  
\$36,844,000,000.  
Canada now has rising pro-  
sperity, more jobs, greater op-  
portunities and rapid economic  
growth, Mr. Fleming said in  
starting his pre-election budget  
speech.  
"But we must not be compla-  
cent."  
Industry still had unused ca-  
pacity. The decline in unem-  
ployment rates "must be car-  
ried much further." The inter-  
national balance of payments  
deficit needed to be fur-  
ther reduced.  
"EXPANSIONIST BUDGET"  
The minister sounded an  
early keynote that budget poli-  
cy "will remain expansionist."  
Later, he added:  
"We must be careful to avoid  
a premature dampening down  
of the upswing which is under  
way."  
Fiscal policy must continue  
to provide stimulus to the econ-  
omy and further specific mea-  
sures must be introduced to im-  
prove the quality of our indus-  
trial output, thereby stimulat-  
ing employment and income."  
He also announced measures  
to stimulate technological re-  
search and development.  
Mr. Fleming's forecast of  
gain in gross national product  
was based on the assumption  
that this year's farm harvests  
will be normal — a possibility  
which hinges on whether last  
year's prairie drought will con-  
tinue.  
The predicted seven-per-cent  
rise in GNP would be equivalent  
to the increase in rate of  
output during the last nine  
months of 1967. Last year's  
overall gain in GNP, however,  
was only 2.5 per cent.  
REVIEWS EXPANSION  
The pre-election flourish of the  
budget speech was heightened  
by a lengthy review of the econ-  
omic expansion which has oc-  
curred and of government mea-  
sures carried out in recent  
years.  
"The vigor of the expansion  
that has occurred is due in no  
small measure to the blend of  
sound, strong policies we have  
introduced," he said.  
The government had made  
significant tax cuts to stimulate  
consumer demand and had  
boosted welfare payments and  
transfer payments to provinces  
and municipalities.  
Federal payments to individ-  
uals had risen to \$2,018,000,000  
in 1967 from \$1,224,000,000 in  
1956.  
The value of total federal  
payments and tax abatements to  
the provinces would be an  
estimated \$1,794,000,000 in the  
1968-69 fiscal year—more than  
\$1a times the 1966-67 total to  
\$550,000,000.  
Mr. Fleming said these con-  
tributions to the provinces have  
resulted in federal budgetary  
deficits. The cumulative in-

crease in them during the last  
five years exceeded by \$264,000,000 total of  
\$2,192,400,000 total of

on a constitutional amendment  
that would permit a federal  
plan of contributory pensions.  
Dealing with the exchange  
rate on the Canadian dollar—  
now worth 95¢ cents in U.S.  
dollars—Mr. Fleming said policy  
statements in his last budget  
June 20 did not mean the gov-  
ernment had adopted an ag-  
gressive policy to drive down  
the exchange rate.  
The rate had fallen as a re-  
sult of the removal of exces-  
sive pressures.  
However, he said the govern-  
ment will not hesitate to em-  
ploy "a substantial volume of  
funds" through its exchange  
fund—either buying or selling  
U.S. dollars—in order to pre-  
vent "sudden or erratic move-  
ments in our exchange rate."  
HELPED BOOST SALES  
The reduced exchange rate  
had inhibited import buying and  
helped boost export sales.  
But "unquestionably, the full  
effect of the lower dollar rate  
had not yet been felt on Can-

ada's trade balance, tourist ex-  
penditures and other interna-  
tional transactions.  
Mr. Fleming said the interna-  
tional balance of payments  
deficit still is larger than it  
ought to be.  
He said last year's merchan-  
dise trade surplus was \$179,000,000—an upward revision from  
the original estimate of \$67,000,000. The improvement from  
the 1966 trade deficit had more  
than offset a rise in the deficit  
on non-merchandise transac-

equal bond borrowing to short-  
term issues had been carried  
out and said the government  
will continue policies "that will  
promote a sound and orderly  
investment market and invest-  
or confidence."  
The purchase fund, used for  
advance retirement of \$166,000,000 worth of federal bonds  
since June, would continue to  
operate.  
Net national debt now was  
\$12,200,000,000—equal to \$712 for  
every Canadian compared with  
\$685 a year ago.

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JELLO PIE FILLING  
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INSTANT CHOCOLATE DRINK  
FREE 10¢ COUPON  
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- ROASTING LOIN ENDS
- PORK **55¢**
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- STEAK **79¢ LB.**
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- PICTURE PAK **59¢ LB.**

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Their skin stimulates on face or body.  
Burdock, Peppermint, and other herbs,  
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WATER. Rubs into the skin. Anti-  
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Do false teeth drop, slip or wobble  
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TEETH. They are made of a soft,  
flexible material that fits like a  
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- YORK TOMATOES **2 20 OZ. TINS 49¢**
- NEW ORLEANS SMALL SHRIMPS **4 1/2 OZ. TIN 53¢**
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MIRACLE WHIP **16 OZ. JAR 39¢**
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SPONGE BALLS **EA. 19¢**
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YOU CAN TASTE THE DIFFERENCE **15 OZ. JAR 29¢**



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