

The Budget—Mr. Benidickson

political priorities, not on economic priorities. I want to go on and establish my point. I say that this deficit is the joint result of an expenditure program put forward and completed by the ministers of the crown last autumn. It has nothing to do with June 20 of the current year. It is the joint result of that program plus the lack of growth in crown revenues resulting directly from a lack of stimulus to the economy and a lack of foresight a year ago, both of which, to say the least, increased a recession which we have been experiencing for a considerable time.

There has been for four years an undue complacency with respect to forecasting and to the country's economic interest as opposed to political interest on the part of this government. I think one of the outstanding pieces of evidence in support of this contention is provided by a statement made by the Minister of Finance when, after his budget had been introduced on March 31, 1960, and a surplus forecast, the minister went to a foreign land to meet the outstanding financial experts of the world. He was attending a conference of the international monetary fund, and when interviewed there as late as October, 1960 his view of Canada's economic prospects was that we were simply in, to use his words, a "rolling readjustment". That phrase was not original to the minister. It had been used earlier by the director of the international monetary fund, Mr. Jacobsson.

Mr. Fleming (Eglinton): I do not wish to interrupt the hon. gentleman, who was good enough to give me a very patient hearing Tuesday night, but I think in fairness, as this has been mentioned before, he should agree that that was not all I said about the economic situation in Canada at that time. What he has referred to was one of, I think, four descriptions I employed at that time to describe the economic situation in this country.

Mr. Benidickson: Still, it is something like the statement the minister made when he visited the United Kingdom. His words then were "Canada is sound as a bell". In other words, there has been this advertising of satisfaction and complacency which, I think, has been a contributing factor to the absence, in times of stress, of the concern, the worry and the co-operation of all sectors of this great land of ours, especially, perhaps, in the government service itself, which one might look for. There was an absence of any sense of urgency directed by the minister.

I could, perhaps, quickly retell the attitude taken by the government toward economic matters in each of the four years they have held office. We have conflicting stories

about what the position was when the present administration took office four years ago, in June, 1957. During the election campaign of 1958 the theme of the Prime Minister was that he and his colleagues had inherited a mess, that there had been hidden information, and that this was why they had been unable to cope with a recession.

The unemployment situation was very serious in March, 1958 during the election campaign. The government faced unemployment in January 1958, but had decided it was more important for them to go to the hustings than to cope with the economic situation which was so obviously in need of attention. But the Minister of Finance has not been in that camp. The Minister of Finance is never wrong, and in two budget speeches since then he has referred approvingly to his first presentation of an economic pattern for the people of Canada, which he made not in a budget but in a financial statement or a financial amendment on the night of December 6 or 7, 1957.

I remember it very well. The minister has said repeatedly—I could quote him if I were to take the time—that this was just the right thing having regard to the economic conditions which were ahead and that this was a proper revision, a very wise revision. His action at that time has been praised by both the Minister of Labour and the Minister of Fisheries.

Well, we remember the election campaign. We remember that in that campaign the Prime Minister said that while unemployment had reached peaks beyond those which had been experienced since the pre-war depression, if he was elected no person in Canada would suffer because of unemployment. He said that in Halifax a day or so before the end of the campaign on March 31, 1958. We still do not have a very healthy economy, but most ministers, after their election in the summer of 1958, went abroad and there, of course, they painted a glowing picture of the economic situation in Canada.

We come to 1959. There was a little upturn and still a fair amount of unemployment. There was not much investigation, in a scientific way, as to its causes. In any event the government thought the time had come to break what they thought was to be a continuing boom in this country, and there was in the 1959 budget to confine it the imposition of an additional tax load of some \$350 million annually.

I wish to proceed rapidly and come to the last major budget with which we are familiar, namely the budget which normally comes in March and which, on this occasion, did come in that month. In March of 1960 we still had