utterances can very well give to us a clear conception of what was in his thinking in so far as monetary policy leadership was concerned. On November 22, 1957, as reported in the Toronto *Telegram* the Minister of Finance (Mr. Fleming), in an address the day previous, was quoted as saying as follows:

This is no time to be yielding to panic...

If this is a national emergency all I can say is that practically every country of the world would like to have a national emergency like it...

We are told that unemployment constitutes an emergency. I say to you that while we have some unemployment and the government will seriously grapple with it, there is no emergency.

The day before his baby budget was delivered in the House of Commons he delivered an address in Toronto to students at Hart House at the University of Toronto. On December 5, he stated as follows:

No one can fairly say there is an emergency.. Canada has no "crisis" or "emergency" in unemployment—

His colleague who shares with him responsibility for preparation of the budget, namely, the Minister of National Revenue, (Mr. Nowlan), the month previous, gave a speech in Halifax. I quote what his thinking was in November of 1957:

He urged the people not to be alarmed by predictions of severe unemployment this winter.

There was always seasonal unemployment, he said and there would be seasonal unemployment this winter—but the picture for the future was brighter than ever and "there is not going to be depression."

There are other ministers who, in the same vein, made speeches at this time and these are quite indicative of the feeling of the government five months after assuming office. One must, however, find a little bit of amusement in one of the phrases in the budget speech of the Minister of Finance on that night of December 6, 1957, because, as reported at page 2009 of *Hansard* of that year, he said this:

We trust the committee will, however, recognize the boldness of the government's program and the extent to which it will contribute to confidence and prosperity.

I remind hon. members that the budget proposed tax reductions in the sum of $26,000,000 only to the end of the fiscal year namely, March 31, 1958. At that date the Minister of Finance, with the exception of one or two subtractions of projects, was quite prepared to accept exactly the forecast of revenues which his predecessor Mr. Harris had proposed in the budget of March of that year. Mr. Harris had in March proposed for the course of the fiscal year tax reductions of a value of $55,000,000 and he had brought forward social benefits such as increases in veterans pensions, war veterans' allowances, family allowances, old age securities, old age assistance, pensions for the disabled, the blind and so on which he estimated would amount to $133,000,000 in a full year in addition to the tax reductions of $55 million which were proposed for a full year. There was no suggestion that the new Minister of Finance saw on the horizon economically anything that justified any radical departure from the basic plans that were already provided by Mr. Harris for the fiscal year 1957-58. The Windsor *Star* commented on this matter after the accounts for the year were available, and on April 4 had this to say.

Mr. Pearson: What year?

Mr. Benidickson: April 4, 1958. The Windsor *Star* had this to say:

When our P.C.'s come out squealing their well worn alibi, "We inherited the recession from the previous government," it'll be well to remember this: Former finance minister Walter E. Harris forecast a $152,000,000 surplus for 1957-58. His estimates stood up so well that even after digging into that kitty to keep their "promises" the P.C.'s were no worse than $28,000,000 in the hole on March 31, 1958.

Indeed in this house after the budget of December 6, 1957, had been presented the Minister of Finance was given almost an additional two months in which to think things over. On January 30, 1958, as reported at page 4019 of *Hansard*, he repeated:

I have no reason to depart appreciably from that estimate—

The one provided on December 6.

—and I think at March 31 government operations for the year,—

Then, of course, he was patting himself on the back.

—thanks to prudent management, will show a respectable surplus.

This I think is about eight months after the minister had taken responsibility for the department and there is no suggestion there that he saw ahead and was planning for anything in the nature of which the Prime Minister soon afterwards, in the election campaign, called a slide.

I now want to come to 1958. Let us have a look at the election. The election was all consuming in time and I think it concluded at the end of March and the government was returned. After a long time away from his office the Minister of Finance was back on the job in the matters of monetary policy and fiscal policy. In due course he prepared a budget in 1958.

Mr. Pickersgill: This time he called it a budget.

Mr. Benidickson: Yes; this time he called it a budget. But he was not very much worried about the situation in Canada economically. In the course of his budget address