

after the troubled equilibrium of these later years there is a return to a greater soundness and balance of outlook. There appears to be a deepening recognition of the fact that the government cannot create wealth, but that anything it promises in the form of a gift must be taken away in the form of a tax.

There are signs that people and government alike may be returning to the realization of the fundamental economic truth that whatever regulations may be found desirable in the public interest, the most natural and the most fruitful role of government comes from what it may be able to do to reduce all that restricts and discourages, and to assist all that may release the immeasurable potentialities that lie in free individual effort and responsibility.

With the opinions of that writer, I am in full accord.

Mr. R. W. MAYHEW (Victoria, B.C.): Mr. Speaker, evidently there is one champion from Manitoba who did not get a prize, but I am sure if it were left to this house he would be handed one right away. I rise to take part in this debate mainly for the purpose of endorsing the proposals contained in the budget speech delivered in this house on the evening of April 29 by the Minister of Finance (Mr. Abbott). I want to congratulate him upon the manner of presenting his budget. Nearly every hon. member who has spoken has extended his congratulations, but I believe one point, which perhaps affords him the greatest compliment, has not been mentioned. When he began his speech all the seats in the house were filled, as well as those in the galleries, and they remained so until the end of the address. Many times people can find excuses for leaving the house after speeches have gone along for an hour or so. It was quite evident, however, that on this occasion people were interested in the manner in which the address was delivered, and were anxious also to find out exactly what would be contained therein.

This debate has now been in progress for over two weeks. About fifty members have taken part in it. All the heavy artillery of the three opposition groups have been firing their shells and bombs at the budget speech, but thus far they have failed to dent any of the structure or supports. In fact, it has not suffered blemish in any respect, and still retains the appeal it had when first delivered.

Mr. FRASER: Watch out; there might be some delayed bombs.

Mr. MAYHEW: Perhaps, but that would not do much harm. From the fall of 1939 up to the present time Canadians have been diverted from their ordinary course of peace and progress, and have been operating under the uncertain conditions of war. Every bit

of strength they had was directed to one purpose, and until the bringing down of this budget we had not been able to see clearly the path ahead of us.

It remained for the Minister of Finance to give to the country an indication of where we are going, and what our responsibilities are. I have said that the people of Canada, because of war clouds and the clouds of rehabilitation, had not been able to see clearly what they had to do. But in his budget speech the minister has brought great encouragement to them. How has he done it? The first encouragement contained in his speech was the fact that there was a surplus in the last year of \$360 million. Another encouraging factor was that he was able to indicate and, I believe, on a sound basis, that our national income will be increased this year by another billion dollars. I know that is an estimate, but I believe it is on fairly conservative grounds.

Let me tell the house why I say that. One reason is that the industries of Canada are now ready to spend in this year \$1,700 million in new industries, new plants, the renovation of old ones and other methods to bring in greater production. Who can estimate what \$1,700 million in new industries will mean to Canada? One can state safely that this will go a long way toward making effective the increase of the billion dollars.

I wonder if the labouring people in Canada do not take great comfort from the fact that there are prospects of that increase in our national revenue. Surely it should mean to them that there will be more employment in 1947 than we had in 1946. During the greater part of 1946 we were short of man-power. So that I think the minister's statement would give definite encouragement to labouring people.

I have had some opportunity of investigating what is taking place in the first quarter of this year, and I say that if the other three quarters measure up to the turn-over in the first one, the minister's estimate of an increase of a billion dollars will be too modest. In other words, I think it will be more than that amount.

I know hon. members in the opposition have attempted on various occasions to say that there was no optimism and no encouragement in the budget speech. I cannot see from what source they derive their pessimism.

There is another point I should like to mention, and that is in connection with the forecast made by the minister respecting the construction industry, one which I am sure will be greatly increased this year. The Minister of Reconstruction and Supply (Mr.