

The Budget—Mr. Nowlan

knew and deliberately concealed perhaps some of the statements which were made during the course of the election campaign would not have been advanced with the emphasis they were given. That is the only difference in so far as that situation is concerned.

What happened next? We have emerged out of the depression to a remarkable degree. My friend the hon. member for Burnaby-Coquitlam made reference a moment ago to retail sales. I wonder if any hon. gentleman in this house could name a retail merchant in any constituency in Canada who having experienced normal circumstances, and quite apart from unique or peculiar situations involving a strike or something of that sort, would not be in a position to tell him that he had enjoyed better and increased business and more sales last Christmas than ever before in his experience?

The province of Nova Scotia is not one of the wealthiest provinces in Canada and it has received substantial assistance from this government. I can tell hon. members that with the possible exception of one or two industrial areas where labour troubles had resulted in substantial unemployment locally, there was not one retail merchant in that province who did not experience more sales last Christmas than at any other Christmas in history and I am sure that the same thing applies generally across this nation. These facts are independent of figures produced by the bureau of statistics. These are facts which everyone knows, which the country accepts and for which the people of this nation are grateful to the present government.

Some hon. Members: Oh, oh.

Mr. Nowlan: Do not scoff. I am not attempting to take full credit for the government. It has been one of the factors contributing to this situation. Management, labour and government working together have accomplished a tremendous amount for the nation during the last 18 or 20 months and we shall continue to do more in the months that lie ahead so that by the end of this year we should experience the highest degree of prosperity that has ever been known in Canada.

Some hon. Members: Oh, oh.

Mr. Nowlan: I still hear the scornful laughter across the aisle. I could make reference to a well known quotation but I shall refrain from doing so because it might be personal and I should not want to be guilty of that. I believe that when the budget is brought down next year it will tend to justify the prophecy I have made.

There is a psychological danger of inflation and that is one of the problems with which the Minister of Finance has been confronted. I do not refer to an immediate danger of inflation such as has been spoken of by some politicians and some bankers and a few other people. There did exist in this country, however, a genuine psychological danger of inflation. If steps had not been taken to deal with this threat, again through the co-operation of management, labour and government which assisted economic recovery, there possibly would have been a real danger of inflation that could have had some detrimental effect on money markets. Certainly when words of warning about inflation were spoken by so-called financial experts they carried some weight.

The minister dealt with that in his budget, and by increasing taxation substantially and yet not exceptionally, by reducing the budgetary deficit substantially next year, he has given to the people of Canada an assurance, implied from this government, that we are not going to stand idly by and watch the fires of inflation develop a head of steam in this country. The people can accept that, and that is why this budget has been framed in the way in which it has.

I am not sure whether it was the financial critic or the hon. member for Burnaby-Coquitlam who referred, of course, to unemployment and the dire state of employment in this country. We hear a great deal of talk about that at all times and we all realize that when one man is unemployed it is a tragedy as far as he is concerned, and the more there are unemployed the greater tragedy it is. No one certainly sitting on the treasury benches, or no one sitting on this side of the house, and certainly on the other side as well as far as that is concerned, would for one minute attempt to minimize the tragic effects of unemployment where it does exist. One of the paradoxes, of course, of the immediate situation is that you get all those indices of expanding economy, higher wages, more men employed than ever before, and all the other matters to which reference could be made, and yet we do have a fairly substantial element apparently of unemployment in this country. We have called it seasonal unemployment in the past. I sometimes wonder whether the true seasonal effects are implied. We who live north of the 49th parallel suffer more from a more severe climate than does the great country to the south of us. Undoubtedly, there is a substantial element of seasonal unemployment; possibly also unemployment due to automation possibly due to other things.