

The Budget—Mr. Nowlan

hon. members will be able to recall that hon. gentleman as he sat on the treasury benches, and will remember that pleasant voice, his smile, the way his eyeglasses were removed and waved around to make a point. They will recall his attitude that any questions coming from the opposition were simply something to be laughed at. Many will recall his typical statements, "We are going to do so and so; we shall do thus and thus". And because he and his associates did not do what they promised, we have one of the results with which we are faced today.

Much has been said about the weight of taxation and the terrible thing this government is doing in increasing taxation as it has. What are the proposed increases in taxation? I, like the hon. member for Kenora-Rainy River, am not going to deal with all the details of taxation. As he stated, this debate is going to continue for several days and during that interval many speakers will participate and many questions will be dealt with. In brief we have a two per cent increase—or call it three per cent, if you wish, including social security—in corporate income tax. We have an increase of approximately two cents on a package of cigarettes and of 15 cents on a bottle of whiskey. These increases are introduced and hon. gentlemen opposite immediately rise and proclaim that the whole social and financial structure of this country is going to come crashing down on our heads and that the Minister of Finance, like Samson, has disturbed the pillars and now the temple will come crashing down in ruins. If that disastrous event should come about I am sure that both the Minister of Finance and the Prime Minister would be willing to start smoking cigarettes and drinking whisky to save the economy, but I think we need have no fear of such a catastrophe occurring.

I want to suggest to hon. gentlemen opposite that the financial fabric of this country is what we inherited.

Mr. Pickersgill: Rubbish.

Mr. Nowlan: If it is as bad as critics suggest today then I can only remind them that we inherited this condition which certainly belies and beclouds all the boasting we used to hear from hon. gentlemen opposite when they sat on this side of the house about the greatness of Canada, one of the leading nations of the world, brought to the forefront through policies they introduced, a nation strong financially, internationally and in every other way. Hon. gentlemen opposite now depict us as a nation of frightened rabbits scurrying through the bushes, weak, emaciated and timid, all because of a little tax on whisky and cigarettes, and a two per

[Mr. Nowlan.]

cent increase in the corporate tax. No reasonable person believes what is said to this effect by hon. gentlemen opposite. That is why I suggest, emphasized by the great interest we see aroused in this debate on the part of the public, that there exists on the part of the Canadian people a general acceptance of this budget.

Through you, Mr. Speaker, I would ask if any hon. member has ever seen a budget in which substantial tax increases are advocated, promulgated and brought forward, which has been so readily accepted by the nation as has this budget? I use the word "accepted" advisedly. Oh, I am quite convinced there will be no paeans of praise nor any hallelujahs, but I am certain there is general acceptance. Even hon. members sitting in this chamber bear their share of the burden of the increased taxation. I am sure none of us wants to throw his hat in the air and boast about it. But, as the hon. member for Burnaby-Coquitlam (Mr. Regier) has pointed out, the press and magazines of this country have already accepted the fact that increased taxes were necessary and that the Minister of Finance has developed a system of increases which on the one hand will tend to stabilize our economy and ward off the dangers of inflation and on the other hand not interfere with the economic development of the nation or deter the course of recovery which is taking place at this moment.

Reference has been made to broken promises. I suppose there has never been a budget brought down about which some reference of this nature has not been made in terms of broken promises. There is no question but that statements were, have been and probably always will be made during the course of election campaigns, both inside and outside of this house, in connection with the financial affairs of this country and reduced taxation. Such statements were made during election campaigns held prior to 1957.

Let us examine what has transpired. Early in 1957 and probably prior to then this country was entering into a serious business recession months before we came into office, the seeds of which recession had been sown, had sprouted and were almost in full flower prior to our taking over the administration of the nation. That is a fact, Mr. Speaker—

Mr. Pickersgill: That old myth.

Mr. Nowlan: That is a fact. I do well to remind hon. gentlemen opposite once in a while of the fact that the indications of this recession were well known to hon. gentlemen opposite when they were in power and were concealed from this house and from the people of Canada. If we had had a proper appreciation of the financial facts which they