

*The Budget—Mr. Keays*

prepared for an all-out attack on our economic ills. They were brought into affect by a progressive and systematic removal of the many obstacles which have been referred to as the underbrush. Now the way is clear for an advance towards the goal of a full economy.

What do you see south of the border? You see small towns spread out throughout the country which employ 5, 10, 15, 20 or 30 people, residents of those areas, giving them employment and supplying larger plants of the country. Everyone there has a hand in production, and there is no reason why Canadians should be denied this right.

The attitude of this government toward small business, the investment potential of Canadians, Canadian income restrictions on funds available, trust funds, mutual funds and pension funds, are all part of a well-defined plan. Canadians should produce for Canadians and in order that prices in Canada should be competitive with those of any other nation.

I said earlier that steps taken by the budget were not immediate but that the indirect effect of these steps has caused the lowering of the exchange rate. This, along with the redefinition of goods made in Canada will protect those engaged in manufacturing, thus widening the field of employment.

Think of those classes of goods which are called custom made. How many arguments will be saved at the ports of entry into Canada where purchasers argue by the hour to give their own definition of goods made in Canada. Think of those who are importing heavy equipment into Canada at the rate of \$300 million, \$400 million or \$500 million a year and who are getting these goods across the border by a definition of goods not made in Canada because of the control system of the equipment whereby some additional light, battery or connection is attached thereto.

Those items entering Canada are competing with items being manufactured here, and I am sure that the redefinition of these words will mean more production and more manufacturing in Canada, not solely by Canadian firms but also by subsidiaries of United States firms. Savings will find their way into capital investment or into risk capital, because this government has given to the Canadian people that security which they needed for investment.

It is interesting to know that the total volume of life insurance in force in Canada, related to the national income, is 163 per cent, whereas in the United States it is 135 per cent.

I am led to believe that one reason why some of our Canadians have not invested in Canadian corporations—why they have not

put a share of their money into risk capital—is because they did not feel secure about the financial policies of past governments. I am sure that as a result of the direction which is being given us by the present government and as a result of its monetary and fiscal policies Canadians will be increasingly encouraged to invest their money in Canadian companies.

There must be a warning. These pieces of legislation cannot of themselves accomplish the attainment of these ideals. Labour must be aggressive and venturesome. The unions must be understanding and tolerant. Management must be co-operative and patient, recognizing ability and leadership in the ranks. Bankers must give direction regarding our economy, and the government leadership in monetary policies. In its handling of our financial resources the government has shown courage, because it is being realistic and facing up to the demands from industry and labour, and these policies will show their effect much sooner than the opposition hopes. In view of this situation I cannot understand the amendment which is being proposed and I intend to vote freely, independently and justly in favour of the budget as prepared.

A few days ago a rally was held in Ottawa by a party called the Liberal party. It reminds me of a group of people who have assembled in a crater and who have got their heads together there to come up with solutions to the problems of the day. They have squeezed themselves together; they have put their heads together so closely that they have squeezed themselves into a cell, and I believe they have squeezed themselves off the platform of the political parties of Canada.

I see that they mention in their program unemployment benefits and greatly extended trading facilities. They speak about accelerated depreciation, easier credit and control of the Bank of Canada, improving the value of the Canadian dollar and increasing the market for Canadian goods. What kind of a binge has that party been on since this session came into operation? They do not realize that every one of those measures is a measure which has been brought in by this government. They just seem to be going a little further. They speak about the federal contribution to municipalities—here again, I think that is going back to centralization—and there is a reference to an incentive to industries to locate in certain specified areas. This sounds as if I have heard it before. It was proposed by this government.

The program talks about extended winter works and federal contributions to welfare in depressed areas. In the province of Quebec 90 per cent is now being paid, and I think