

*The Budget—Mr. Badanai*

40 per cent over and above the normal depreciation allowance of 12½ per cent. Grants are also made for new construction of some types of fishing vessels.

Australia allows a 25 per cent subsidy on all Australian built ships and the coastal trade is reserved to vessels whose wage rates and standards of accommodation are equal to those applicable to Australian ships. Italy has a policy of subsidy which she is now planning to increase in order to boost the shipping industry. This is an extension of aid to shipbuilding which was adopted in 1954 and which is meeting, according to reports, with most gratifying results.

Every trading nation of any importance has a merchant marine and a policy in aid of shipbuilding except Canada, and our heads should hang in shame when we read of landlocked Switzerland which has a merchant marine and is planning to expand. Since world war II she has acquired 27 cargo vessels which total about 200,000 tons, and the ships are manned by 848 crewmen.

Further evidence that the old crack about the Swiss navy is not true is the fact that Switzerland has ratified five convention agreements of the international labour organization on seafarers' working conditions.

World commerce is still being carried by seagoing ships. During the last war Winston Churchill was forever urging the United States, among other things, to lend ships. Canada at that time was already building vessels of all types at a great pace, and young Canadians from the cities and from the farms were becoming mariners overnight. Soon their voices were heard on the seven seas.

The budget did not mention the fact that Canada is the third trading nation of the world, that her natural resources and products are still being carried over the seas of the world, but that the familiar Canadian voices are no longer heard. Men speaking foreign tongues and ships flying foreign flags are carrying our wheat, our iron ore, our nickel, our wood products and oil. The list of flags going through the Suez canal in 1959 included such countries as Costa Rica, Honduras and South Korea. Where was the red ensign?

It is one of the uncomprehensible paradoxes of our time that notwithstanding Canada's enormous coastline, fronting on three oceans, we seem to be the least ship conscious people in the world. According to a report issued by the Canadian maritime commission on November 18, 16 major Canadian shipyards employed an average of 575 people in each, where they should have at least a couple of thousand.

[Mr. Badanai.]

We agree with the minister that Canadians should be urged to invest more in Canadian enterprises, but we cannot help but view with alarm the curbs on investments in Canada by Americans and others outside Canada. By all means give Canadians preference in these investments, but if there is shortage of Canadian investments to meet the requirement of our expected expansion, which is essential to provide jobs for an increasing labour force, then I would say; let outside capital come in to take up the slack without hindrance.

In addressing the bank's shareholders the president of the Bank of Montreal, Mr. Hart, on December 5 last, referring to the monetary policy in the light of current economic conditions, had this to say:

Business activity in Canada during the year now coming to a close has, in many respects, failed to bear out the optimistic predictions voiced a year ago. Thus far, the "soaring sixties" have shown little inclination to soar.

This country has attained its economic stature and living standards in no small measure by virtue of having abundant natural resources for which there are markets elsewhere, and which must be developed on a large scale and by large injections of capital, if they are to be developed at all. It is not unnatural that to some extent the necessary capital has been provided from outside our own borders by those who need the resources that are being developed. Moreover, Canada as a world trader must keep pace with the technological advances that are going on around her. I suggest that if we are to continue to develop our resources and keep abreast of innovation and modernization by our competitors, we shall do well not to be too fearful of prudent expansion and improvements, and of the financing that is entailed.

The thousands of Canadians who are unemployed cannot await the long term results of the minister's fiscal measures. They are going to take a gloomy view of the jump from a projected \$12 million surplus to a \$286 million deficit, without any immediate benefits which they can see.

It is generally conceded by a large number of well informed people that one of the major causes of unemployment and the general business slump is the government's policy of monetary restraints. The general reaction to the budget is that it was the worst speech imaginable to deal with the unemployment emergency which, after all, was the principal reason for the early start of the session and which, thus far, has been of little comfort to those who had reason to expect some help.

The suggestion that new tariff boosts may be expected is one which will not bring any cheer to the vast number of consumers. The announcement that it is proposed to increase the membership of the tariff board from five to seven can only be interpreted as foreshadowing tariff increases to come. It is the R. B. Bennett touch of the thirties over again, perhaps not as direct, but subtly moving