

The Budget—Mr. Regier

of government, the management of the direction and flow of available investment capital so that the social needs of the nation may be met along with our industrial needs.

I notice that the confusion in the money market has caused some concern south of the border. Our Canadian government tells us that everything is all right but in another article published in the *Gazette* of March 11 I find this sentence:

The 1958 fiasco was the worst debacle in the history of United States public finance. Thousands of investors lost money. The government bond market became demoralized and has not yet regained public confidence.

Official investigations are under way south of the border as to what can be done to restore public confidence in the issuance of government securities. Here we have in office a government that does not recognize the seriousness of the situation and tells us that we must accept the old law of supply and demand of the market place with regard to our social capital needs.

The government also has not fully informed the Canadian parliament or the people of the implications of the capital investment forecast for 1959. When we consider the implications of the statistics we see that capital investment is three per cent off compared with the 1958 level. I should like to refer to an article by John Meyer, financial editor of the *Gazette*, published on March 9 last in which he says:

The \$8,321 million in capital investment which the Department of Trade and Commerce anticipate this year, on the strength of the estimate given it at the beginning of the year, is 1.1 per cent less than last year's figure. Prices have increased 2 per cent over the last 12 months. In terms of 1958 values, then, capital investment intentions are a little more than 3 per cent off the 1958 level.

This article ignores the continuing growth in the Canadian population and if we consider the factor of the growing population we will see that the real situation in terms of continuing investment and expansion of the Canadian economy is even worse than indicated in the article.

With regard to markets, we are again assured that everything is rosy and that we do not have too much to worry about. The minister always likes to talk about what is happening south of the border and how that influences us here. I should like to refer him to an article in the *Globe and Mail* of March 12, 1959 by Richard E. Mooney from the New York *Times* service. Mr. Mooney says in part:

In broad terms, the conclusion here—

The reference is to Washington.

—is that the world is back on its feet. Europe has regained its prewar competitiveness, and underdeveloped nations are coming up. Both of

these developments have long been objectives of U.S. foreign policy, objectives for which billions of dollars have been spent. The result, according to thinking here, is that U.S. producers can no longer dominate world trade so easily as they did in the earlier postwar years.

I believe that the government found that out when it found that its decision to transfer 15 per cent of our imports from the United States to the British commonwealth was not as easy to implement as to pledge at election time. We have a recession in our local market. Mention was made some time ago of retail sales. I have figures here to show what is happening in the field of retail sales. According to a dominion bureau of statistics report in February last, retail sales in 1957 amounted to \$1,235,500,000 and in 1958 to \$1,271 million, indicating a 2.9 per cent increase. When we relate this to the 2.6 per cent increase in the price index over the same period and also relate it to the increase in Canada's population of 2.3 per cent, we can see that net retail sales on a per capita basis in 1958 were away below those of 1957. We are not only losing markets abroad but we are losing markets at home, even though some statistics may be produced to show otherwise. If the change in the purchasing power of money is taken into account, as well as the growth in Canada's population, then we find we are not moving out of the economic recession, we are very much in it today. We find no action proposed by the government to remedy the situation.

Then, in so far as unemployment is concerned, this government plies us with statistics from the unemployment insurance commission, attempting to show that unemployment is on the wane. It reminds one a little bit of the phrase "argument weak here, shout like hell". This was the course followed during the election when we were assured, in these loud, booming voices, that so far as unemployment was concerned we were past the peak. Has anyone in the government ranks ever made an estimate of all those people who are ineligible for unemployment insurance benefits and who have not been near an office of the unemployment insurance commission for many long months? During the last winter in the Vancouver area we had 10,000 such people. All of these people whose unemployment insurance benefits have expired are no longer in the statistics that are supplied to this house by the government of Canada. Almost all the people above the age of 35, and especially those above the age of 40, who are told that they are too old for employment, have long since been taken off the list in the unemployment insurance commission offices.