

The Budget—Mr. Keays

said in debates that have already been concluded in this session, it seems to me that he is going beyond the rules.

Mr. Keays: I do not believe that I have quoted any one word mentioned by the hon. member for Halton.

Action by the productivity council will solve the problem of cost of production, quality of production and improvements to production, allowing the people to transact more business at home and abroad, making products more attractive and competitive. The economy is changing. Our government realizes this fact and is geared to respond to this challenge. Hence our actions to attack our economic ills.

What about our sales problem abroad? The record speaks for itself. In 1960 we sold abroad 20 per cent more than we sold in the year 1959. The figure is an all-time high. The novel idea of the Minister of Trade and Commerce (Mr. Hees) of gathering here in convention supersalesmen the world over has had a tremendous effect on many of our Canadian producers who had toyed with the idea but had never studied it seriously. As a result of the revelations at this convention they have gone back home disposed to concentrate on a bigger and better export trade. Is this not more action to attack economic ills?

May I suggest going further in this drive for expansion or for exports and home consumption and patterning a group similar to the productivity council itself in a study directed towards bringing in new industries or expanding present ones. This council within the Department of Trade and Commerce should be made up of people who are experts or professionals in their own trade in countries other than Canada. We are a young nation. We have much to learn from those whose history dates back many centuries.

As to the products made in those countries and which could easily be manufactured here, I am thinking now of products of the nature of those contained in the recent order obtained by the Montreal Locomotive Works Limited for the building of railway cars for the Toronto transit commission. The ingenuity of this company in going south of the border to get engineers to make plans, to study their costs and to tender intelligently on this order are things that we must think of and which are progressive in this country.

I do not believe that the orders given by the Toronto transit commission are the exclusive rights of Americans, Germans or French. The Montreal Locomotive Works has proven that they can also build at a competitive price and give quality equal to any. These people taken from the primary and secondary industries of other countries would be a complement to the productivity council

and to those in the business of trade and commerce who are preoccupied with sales to other nations.

Irksome and painful as it may be, we must consider that the forestry industry of Canada is one of our large wage-earners and we must realize that so much saw mill and pulp mill machinery comes from other countries. I trust that this suggestion of a complementary body will find acceptance in this chamber and that we will not export our brains but keep them at home and bring in others who can be of benefit to us.

The hon. member for Kenora-Rainy River (Mr. Benidickson) has accused the government of not bringing in any legislation which would cure the exchange rate. I am sure he is very sorry for having ever mentioned this. The steps taken by this government have been indirect and the only way of implementing a change in the exchange rate. I do not say that the budget was aimed at this alone, because many consequences of a satisfactory nature will result from this courageous budget.

Let me also assure you—and I doubt whether there are any who do not believe this—that this budget was not offensive to our neighbours to the south. It was a Canadian budget to meet Canadian aspirations, and was not anti-American. We have problems to solve and we should solve them at home, not in an anti-American way but as a neighbour of that country and in the interests of Canadians. Our relations with the United States of America are good, and we should assure them of our desire for co-operation inasmuch as it does not affect Canadian interests.

By raising the ceiling of profit for small business, which is extended to \$35,000 before they fall into the heavy taxation bracket, we have rendered tremendous comfort to those people who needed it most. By this relief a large segment of Canadian firms will put the additional reserve profits to work, expand more and provide more employment.

Could we not think of the small firms employing from five to 25 people mushrooming throughout this country, in the west as well as in the east, manufacturing those items which heretofore came into Canada by way of importation. I am thinking of this well-conceived plan of this government intended to affect all these segments of our economy. The incentives for the establishment of businesses in new areas where labour is available, the elimination of the surtax of 4 per cent, the imposition of a 15 per cent charge on dividends paid to non-residents, as I have said before, were planned and