

specific proposals that matched specific programs, although all proposals did not match those programs. The trouble with debates like this, Mr. Speaker, is that we always seem to be trying to score debating points, and we do have a lot of fun with each other. But this is not a very humorous subject.

Mr. Alexander: I'm not joking; it's a very serious problem.

Mr. Danson: Then, you shouldn't talk about camels and orang-outangs. I hardly think that was a serious interjection, but that does not matter. I understand the hon. member for Hamilton West, and boys will be boys. The fact is that there are difficulties which are cyclical in any economy, and one government deals with them one way and another in another way. I know that when the Conservative party was in power they had their problems in 1962 and 1963, but I would like to deal with those problems which I think the present situation creates. I should like to mention how I think we should face them and deal with them in very specific ways.

I think the present situation presents business management with some very real facts of life. I think that industry, to a very large extent, was enjoying a boom over a long number of years, in fact unprecedented in our history, and as a result got into some rather sloppy habits. This is part of the reason for a necessary readjustment. It is one of the things that contributed to inflation. This is a tough way for management to have to become efficient, but in our market economy it is one of the things that happen to work. I think that management is looking at its own organization as it never has before. This one of the healthy manifestations of the situation, and in this country if we are to survive economically with our very high standard of living we must give more attention to the techniques of management that will help us avoid these cycles. May I say I also hope members of trained management will join us in government where their help will be valuable.

I think management must look at the competitive situation not only within our country but also in the export field. This involves a very serious look at the research and development policies within industry. Mr. Speaker, I am looking forward very much to the second report of the Senate Committee on Science Policy. The first one was extremely interesting reading, giving a historical review, but I look forward to the second one in the hope that it will make specific recommendations which will enable us to point our industry in the right direction selectively, and make productive and profitable.

● (5:20 p.m.)

I suspect that one of the problems, although I cannot pin it down, is that we have another bank operating in the market place today. I call it the BCF and BAR., the Bank of Cash Flow, or Bank of Accounts Receivable. It is a very odd thing in our economy today, and it is having a very important effect on the morale of business. We have come from a period of high interest rates and tight money. Now, interest rates are going down, money is

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looser, banks are much more willing to lend but the uncertainty within the business community has made it reluctant to borrow. Another special factor is involved, namely, that during this process everybody started banking on everybody else. Customers did not pay their suppliers, who in turn did not pay their suppliers. In business today, there is so much energy and time wasted in trying to keep the cash flow going that businessmen are forgetting to do those things which are productive. Not all of them are forgetting, of course, but I do not think any businessman is unaffected by the cash flow problem. While he might be able to borrow money from the bank more easily than before, he is afraid to do so because then his customers will use him as their banker.

An hon. Member: Have you heard of the white paper?

Mr. Danson: You could call the white paper a red herring in this context. I think the people have misunderstood and have blamed the white paper for this situation, but I don't know if that is what we should be blaming here. I think there is undue uncertainty in many cases, but that is not the point I am trying to get at. However, perhaps it is one contributing factor, whether justified or not. The fact is, people are reticent and while this tremendous cash flow problem exists people are reluctant to hire and reluctant to invest. I am presenting a problem rather than answers, but I suspect that underlying a great deal of the uncertainty is the question of cash flow and this is something which must be overcome. Every businessman is trying to keep a tight rein in order to survive and meet his payroll. If he cannot relax in that atmosphere he cannot think ahead. I do not think there is an easy answer to this.

Mr. Alexander: Ask the Minister of Finance (Mr. Benson).

Mr. Danson: I think it is worth discussing with him if we can reach a solution to break the psychology. It is part of the psychology which exists and about which people are concerned.

Over a year ago when we were discussing inflation in the Committee on Finance, Trade and Economic Affairs in a semi-facetious way I suggested that people stop using the credit card system so freely. People were being seduced by the "red convertible loan" type of advertising to buy things they could not afford. I suggested that people should get a discount for paying cash.

Mr. McCleave: How did it go over?

Mr. Danson: I produced these cards called "Cashex". Normally, when a person goes into a store and uses the Chargex or Diners' Club or American Express card the storekeeper has to pay a 4 per cent to 7 per cent service charge. My idea met with a tremendous response and the card is now in its fourth printing in a year, representing some 17,000 cards. I have not tried to promote it but people responded. Editorials have appeared in the publications of a consumers' group, the civil service union and in some newspapers. At this moment, letters and requests