

*Farm Credit Act*

exploitation between production and consumption exists in all areas of our economy. How many manufacturers of furniture, for instance, could compete with big firms, if they could get credit on their inventory! But today, what do we see? At the end of every month, when the producer signs his form 88 for the bank, the banker becomes the owner of the producer's inventory. And no matter whether the goods are sold or not, delivered or not, paid for or not, the banker tells the producer: Repay your loan to the bank. This means that he demands that the money gets back to the bank before the producer is able to sell his production to the consumer.

This is the system in which we live, anti-scientific, "anti-private enterprise", which only allows parasites which come between production and consumption, to control, to exploit both.

There are quite a few other such examples we could give. That is why Major Douglas suggested a solution designed to finance public capital through the Bank of Canada so as to free our savings for the financing of private enterprise. That is why Cr ditistes are saying: We respect private enterprise. We believe in competition rather than in a system like ours in which a few individuals control our economy.

When I hear some people denounce the present capitalist system, I claim that it is through ignorance, since we are not living under a capitalist system but under a system of free economy where might is right, where some can stifle others, whereas under a Cr ditiste system, we would enable the small producer, by granting him credit on his production pending consumption, to enter into competition with the large enterprises. It is not the case today.

That is why we kick about prices and inflation. It is said that all prices increase. Why? Because in some sectors of our economy we have reached a point where monopolies do anything they wish with prices. They are the only ones on the market. They set the prices they want. Why? Because when the small producer who is competent, ingenious and capable starts a business, he does not have the financial means to support his inventory and continue production. Only monopolies and cartels are able to support inventories, and there is not a single political party in this House, except the Cr ditistes, that suggests a solution to help the small enterprises without causing any harm to the large ones, to allow small enterprises to stand the competition of the large ones.

For instance, the machinery manufacturer who supports an inventory of \$500,000 starts production in January, makes his delivery in August and September and gets the money from his customers in December and January. Which means that during one year, he must finance production, delivery and collection. This is why we no longer see any small producers able to face competition. They bust before the giants, the tycoons of production.

But Social Credit proposes a solution according to which any new production must be financed by new credits. In other words, when a producer has an inventory of \$100,000, he may get credit interest free so as to be able to keep on producing, while waiting for his products to reach the consumer and that he may receive some cash and pay back—

[Mr. Rondeau.]

**Mr. Rose:** This is an even more capitalistic system.

**Mr. Rondeau:** This is absolutely false. My hon. friend of the New Democratic Party says that this is an even more capitalistic system. It is precisely the reverse, it is false. Absolutely the reverse, it is true, I beg to differ.

Allowing small producers to produce and compete with the big ones, keeps the big ones down and allows the small ones to live. Whereas today, whatever control you set up, as the socialists are recommending, and if tomorrow morning the government takes over production in Canada, without small producers—

**Mr. Rose:** That is what Socialism is.

**Mr. Rondeau:** That is what you recommend. It is precisely because it is Socialism that we are in disagreement.

**Mr. Rose:** We heard you.

**Mr. Rondeau:** They have understood nothing. I disagree. We believe in the capitalist system, but not the present system. The New Democratic Party system is wrong. We are not living under a capitalist system now.

**Mr. Rose:** We are living under a free enterprise system.

**Mr. Rondeau:** We are living today in a system of economic liberalism where the big fellows stifle the small ones. That is why—

**Mr. Rose:** This is what the hon. member wants, free enterprise.

**Mr. Rondeau:** No, not free enterprise, but private enterprise. This is a different thing. The hon. member does not understand the difference between private enterprise and free enterprise.

**Mr. Rose:** The hon. member wants free enterprise at any cost.

**Mr. Rondeau:** I think that this evening I have touched the New Democrats on a sore point, because they have no solution to suggest for the production system. Their only solution is to monopolize and nationalize.

**Mr. Rose:** This what the hon. member wants.

**Mr. Rondeau:** No, this what my hon. friend wants; what we want is to enable more producers to survive within the framework of production. We want more producers to be able to face competition and to live on the outcome of their efforts.

**Mr. Rose:** What happens when they grow bigger?

**Mr. Rondeau:** Nowadays we fail to recognize the merits of the small producers; we stifle them because they do not have the financial resources which would permit them to carry inventories and compete with big enterprise.

Mr. Speaker, according to the social credit concept, new credit extended against finished products will be reimbursed through consumption and sales—