

Interim Supply

Canadian people. If we were to establish a Canadian development fund, if we were to require the financial institutions of this country to invest a certain percentage of the savings of Canadians which they control in a Canadian development fund, there would be plenty of money available to finance social capital. I hear an interjection about a polit-bureau.

An hon. Member: No, I said set up a wool-len mill.

Mr. Berger: This is the kind of thing you get when you plumb the intellectual depths of the Conservative party.

In our view, Mr. Chairman, a Canadian development fund would make money available to provide social capital at all levels of government. In this way we could enable private enterprise to expand its operations, and we would be enabled eventually to repatriate so much of our industry that has fallen under foreign control. One spokesman for the Liberal party, the hon. member for Davenport, did deplore the fact that so much of our manufacturing industry, our petroleum industry, our mining industry, had fallen under foreign control. Well, the fact that so much of our industry is under foreign control results from the policies, or perhaps they would be better described as non-policies, of the old Liberal government. After the war the Liberals allowed foreign investment, principally United States investment, to come into this country so that there was a vast accumulation of equity capital, and when it receded there was economic dislocation in this country.

There was no reason why this country could not have been developed by loan capital instead of equity capital. I think we in this corner should make it clear that we do not hold the present government entirely responsible for that state of affairs. It is true they have done nothing about it, but it was the old Liberal government that failed to do anything to prevent that situation coming to pass. If Canadians had control over their own economy, over their own savings, there would be no shortage of Canadian dollars and no exchange crisis. The fact is that last year, in 1961, \$761 million was paid by Canada to the United States by way of interest and dividends on United States investment in Canada. When the post-war wave of investment from the United States receded, we found ourselves in the terrible situation from which the Prime Minister and his advisers are still trying to extricate us.

Today, planning in our economic affairs is even more urgently required than ever before because a new element has come into the picture. Planning has been adopted

in many parts of the world for many years. However, today planners will have to take into consideration the factor of automation. This is something that planners have to do something about, and that we in this corner urge the government to do something about. Perhaps in the time that remains to me I can suggest what the government ought to do about automation, and that being the case, may I call it one o'clock?

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Berger: Mr. Chairman, I know the Minister of Finance is anxious that I should complete my remarks, but for his benefit I feel obliged to conclude them in the way I had planned. Before the luncheon recess I was about to discuss automation. I pointed out that if the government is prepared to undertake a program of economic planning, such as we have urged it to do, it will have to take into account this new element, automation, that is making planning even more difficult than it was in past years.

Automation is designed to displace labour, but at the same time it means a vast increase is possible in our total production. It also means that because of that vast increase in total production more people are required to administer, tabulate and distribute the products of our industrial system even though fewer people are required to produce the things which our industrial system is capable of producing. Because of automation, and not just because of the government's policy, the number of people employed in producing commodities in Canada is decreasing. This is something that was revealed by a study of technological changes and their impact on employment which was undertaken by the Department of Labour economic and research branch.

This study also revealed that we cannot really expect that those people displaced from work in production will be employed in what has been called the white collar field, because as a result of office mechanization and automation the rate of increase in employment in Canadian administrative and clerical work is already decreasing, so that it is by no means certain that automation produces new jobs.

We in this corner of the house believe something can be done about automation. One of the solutions frequently advanced is that of retraining. The government is contributing to the cost of constructing and equipping