

The Budget—Mr. Otto

I suggest that it is up to the minister and his department to look very carefully into this precept.

While I am on this idea of pricking sacred cows, or sacred principles, one matter which comes to mind is the second report of the Economic Council. You will agree with me, sir, that the second report seemed to indicate that Canada and Canadians are greatly concerned about our efficiency of production. By and large this concerns all of us and the report does outline some educational problems. But the emphasis is always on production.

I have my doubts that this is the most important consideration. In fact, I think that the most important problem in Canada today is distribution rather than production. In other words, I am not worried about being as efficient as we can be, but I am worried that somehow the people who produce the goods do not earn enough money to buy them unless they use consumer credit.

According to the statistics which were given the committee on consumer credit, it seems that by the end of this year each family using consumer credit will be in hock to the tune of about \$3,200. According to the Dominion Bureau of Statistics figures the disposable income of the average family in Canada is around \$500, and I calculate that interest alone on the consumer debt comes to about \$600. In other words, 75 per cent of families in Canada using consumer credit have a disposable income which is insufficient to cover the interest on the principal borrowed and have absolutely no purchasing power at all unless they borrow further money. The minister will agree that in that case inflation is a welcome thing for them. This question of mortgaging one's income disturbs me much more than efficiency of production, though this is of some concern.

Let me explain to you, Mr. Speaker, why it is urgent for the minister to start his department thinking along brand new lines. The Department of Finance will have to lead the nation and set the standards and rules under which the nation can blossom. Since the war and with the advent of television and the promotion of travel Canadians have become very aware of things which have always existed but of which they were unaware before. Canadians have seen with their own eyes mountains of raw material. They have seen electric power unused when other nations have remained short of power. We have a seaway reaching to mid-continent which

[Mr. Otto.]

people in other nations would give their eye teeth for. We have fresh water in lakes uncounted and unseen for which other nations are thirsty. We have atomic energy and uranium. Possibly we have a world monopoly on energy. We have manpower and food enough to feed the world. These are now acknowledged facts of which everyone in Canada is aware.

Having seen all these resources and having seen what other nations have done with one-tenth of the resources and manpower in Canada, Canadians want and will be satisfied with nothing less than greatness, not greatness in the old sense but greatness in the sense of an entirely new society. Therefore the minister and his department must set the climate which will acknowledge the desires of Canadians. This will be no easy task because no matter what new ideas the minister puts forward he still has somehow to dovetail them with the economic theories expressed in other nations. As I say, it is not going to be easy; it will be difficult. But we must make a start on the matter.

I have spoken before about the problem of distribution. It is difficult enough to cope with the profit problem which results in wage earners making far less than what is demanded for the goods they produce and profits tending to congeal in one spot instead of being widely distributed. The problem is more difficult when these profits leave the country. In order to stop profits being passed out of the country by subsidiary companies it becomes essential for Canadians to buy the shares of these subsidiaries.

I suggest that there are three approaches which bear consideration. First of all, I do not think there is any argument that we must centralize and clean up the stock markets. In other words, we can no longer afford to have 60 per cent of the invested money go for promotion and for speculation. Second, we shall have to simplify corporate procedures so that it is not as costly to get a broad basis of investment or participation as it is now. It now is a costly matter. That will have to be done. And most important in that regard is the Canada Development Corporation.

• (4:30 p.m.)

In 13 years in business and law I have come to the conclusion that Canadians are very hesitant investors. Nothing short of a government guarantee will make them gamble or part with their very hard earned money. What is so wrong with the Canada Development Corporation following the same