

*Establishment of Industry Department*

make financially possible in Canada what Canadian industrialists have made physically possible by stocking our shelves and our warehouses in Canada as a whole.

Concerning the solution of the production problem, Canadian industrialists are still intelligent enough to deal with that by themselves, without the help of the federal government. But when it comes to the distribution problem, to the marketing of our products, the federal government has a part to play.

I notice in reading the resolution that one of the primary objects of the new department will be to increase productivity. Well, I think that is putting the cart before the horse. It is not by increasing production when we already have surpluses, when we do not know what to do with them, when Canadian consumers cannot purchase the products we have already, that we will settle the problem.

Mr. Chairman, people may poke fun at Social Credit and deride its solution, its "funny money" theory, but in the present economic context, it will be impossible for the new department of industry to really solve the industrial problems to the satisfaction of Canadian industrialists, if the federal government does not find a way to dispose of their goods.

Mr. Chairman, today, in 1963, we note that automation is replacing to an increasing extent our labour force. While members of this house still advocate full employment, it is possible that, within 25 years there will be only industrial production through machinery and automation. So, Mr. Chairman, I think that we must realize that the time has come to ponder on the proposals advocated by Social Credit in order to make financially possible what our Canadian industrialists have made physically possible.

We have no grudge against capitalism. We are not opposed to our industrialists for if we have today, a Canada which may boast that Canadians in general, including industrialists, are each year increasing their productive capacity, it does not depend on the federal government though it tries to get the credit for doing so, but it happens though to individuals, to private enterprise, to every businessman and industrialist who works hard in his own field to produce quality goods of which there is plenty in Canada.

Mr. Chairman, before concluding, I would have some suggestions to make with regard to the amendment which the new minister of industry might introduce with respect to the industrial development bank.

[Mr. Rondeau.]

Everyone knows that, at this time, the industrial development bank, which was created to put some capital at the disposal of industry, only lends funds on real estate, or capital goods, and that this bank from its creation on until today, only has made loans to the biggest corporations in Canada, of which 65 per cent are controlled by American capital.

The industrial development bank has, until now, helped rather the large corporations than smaller business or industry.

It is also well known that it takes a year or a year and a half, to be able to benefit from a loan granted by the industrial development bank and that, on the other hand, that bank never lends anything to corporations which have been less than three years in existence.

This means, therefore, that the industrial development bank mainly helps undertakings which are already launched, whose business is well established, whose name is well known, who have goods on their shelves and which, in a word, are well on the way to success.

Mr. Chairman, I think we should amend the Industrial Development Bank Act so that the bank can help the industries finance their inventories at low interest, since if we were to allow businessmen to finance their inventories at low interest, they would be able to increase their productivity, lower their operation costs and, at the same time, their production costs.

Mr. Chairman, when establishing this new department of industry, which will come to life very soon, the minister must not interfere in the autonomy of the provinces and of the municipalities, in the autonomy of the already existing and numerous industrial groups in the province of Quebec which have rendered valuable services to several of our municipalities throughout the country.

Then, the minister of industry should be called upon to remove the obstacles which stand in the way of industry instead of increasing the foothold of bureaucrats in Canada.

As I said at the outset, if the minister of industry agreed to reduce the tax on industry gradually, that would lower production costs and, by the same token, industry could compete more easily on world markets.

The minister could set up an advisory board to help industry solve the complex problems it is often faced with.