

*National Economic Development Board*

about now. This would be a much more satisfactory arrangement as far as results are concerned than just setting up another board. Why set up something that is superfluous? There is no reason if what we now have is sufficient. Why could it not be possible to have a separate section of the national economic development board which would supplement that which is now being done by the national productivity council and bring the two together? I offer this suggestion, as we think about it tonight. I believe it has some merit if we are going to be constructive in what we are doing now.

It is very necessary that we must carefully consider, as we discuss this matter, just what is needed in our economy. Basically, expressed in the simplest terms, economics consists of the production of goods and services. It consists of consumption or the using of those goods and services and it consists of the distribution of those goods and services so that they can be consumed.

Yes, we actually live in an affluent society as far as production is concerned. It is an age of abundance. We have solved our production problems; at least potentially we have done so. Perhaps in Canada it can be said that we have not solved it. Reading from an editorial in the *Globe and Mail* dated November 26 we find the following:

—Canada is the world's greatest importer of manufactured goods. Canadians spend \$235 annually per capita on imported goods, while citizens of the United States spend only \$35, citizens of Great Britain \$75, and citizens of West Germany \$60. Canadians indeed, spend a great deal more abroad than they sell, and the simple economic fact of the situation is that Canada cannot do so indefinitely and enjoy a stable, functioning economy.

So while we say our productivity is without limit, as we put our machines and our know how to work, yet something is wrong with our production when we have to be the largest importing people in the world. I was quite amazed to find out today through an editorial in another paper, where the values of our exports have actually increased in spite of the surcharges in the last month.

**Mr. Nowlan:** Imports.

**Mr. Thompson:** Excuse me, I mean imports. Here is a problem that would cause us to wonder why this should be so. Is it because the tight money situation restricts expansion of our productivity so that we cannot produce the things we are today importing? We must think of this matter very carefully. At least production could be solved if capital were there and if the incentives were there that would put our industry that we have now to work. I hear this over and over again from businessmen. "It is not we who are

lazy. There is nothing wrong with our workers and our Canadian people. Certainly we have all we need to produce with but we are burdened down with too much government, with politicians who do not realize what is really needed today". Let us not here be guilty of putting more weight on them or just establishing another board which may not reach the objectives which we desire to reach.

So far as consumption is concerned, I realize that our greatest market in Canada—and this is something of which we must remind ourselves continually—is the Canadian market itself. If the national economic development board, co-ordinated with the productivity council is to perform its function, it will have to solve this problem of making our consumer demand effective. The only trouble with our Canadian market is that it is not an effective demand simply because Canadians do not have in their hands that which is necessary to buy the things Canadians are able to produce.

**An hon. Member:** Here we go again.

**Mr. Thompson:** My friend says, "Here we go again", but this is the basic flaw in our economy which prevents it from functioning as it should be today. Thus we come back to our problem as being one of distribution. I would remind the government, that just the setting up of a board is not going to get at the problem because if you cannot put into the powers of a board that which is necessary to solve the problem. Government does enter into this, and this is why we must have a very closely knit co-operative effort combining labour and management, including industry and agriculture as well, with government to work out these problems.

The real responsibility comes back upon the politicians who are in the government and upon us here. Yes, we just cannot stop at the simple decision of setting up another board. There are other problems as well. There is the problem of providing capital for public capital expansion. Unless we can satisfactorily supply public capital or social capital to meet our social capital needs we are not going to solve the other economic problems. Again this comes back to the politicians.

Let us remember as we think of this matter that there are many bodies in Canada which have spent a great deal of time and effort in studying our economic problems. I am thinking of the federation of mayors and municipalities. All of us receive the publications of this organization. They have carried on a tremendous amount of study in this regard. I think of the various industrial and commercial organizations, our labour unions, our farm associations, our chambers of commerce.

[Mr. Thompson.]