

*Industrial Development Bank Act*

with due regard to decency, propriety and a sensible examination of the purposes of the resolution. We have already indicated our anxiety to facilitate the passage of measures proposed by the government. In respect of the resolution dealt with prior to the supper adjournment the parties in opposition put forward very few speakers, indicating our willingness to pass these resolutions and get on to those matters which the government has indicated as having a considerable measure of urgency and which are the subject of an alleged priority list which the Prime Minister has not yet given to us. Therefore, so far as we are concerned our remarks at this stage will not be lengthy.

It is, of course, very difficult at this time to deal too extensively with the matter. We note that the minister has indicated that because of the proposal to increase the authorized capital of the bank and to increase the extent to which the authorized capital may be used as the base for the amount of moneys which may be made available for the purposes of the act, very substantial additional funds will be made available to the bank. While we assume that this is very proper and probably desirable, we must file a caveat to indicate that it is hoped a large sum of money of this kind, which will ultimately be put into use through the machinery of the legislation and the people administering the act, will be properly expended for the purpose of increasing productivity. If it is not, quite obviously this amount of money being put into the economy could have a very, very serious effect. I am hoping that the fact that the governor of the Bank of Canada, and people associated with the Bank of Canada, are concerned in this enactment will mean that due regard will be had to the proprieties of and the purposes for which the legislation was originally passed.

● (8:10 p.m.)

We will reserve our views until we see the legislation and to what extent within the meaning of the resolution we may make certain other changes in connection with the administration of the act. The minister has given us some indication of what might be involved. We will have to reserve our views and probably simply file a caveat at this time.

One observation which I should like to make is that, although I was not a member of the committee which dealt with the amendments to the Bank Act, my understanding had been that the purpose of that legislation was to permit the chartered banks to enter into

areas of lending activity which had not heretofore been available to them. If my views are pertinent, as they seem to me to be at this time, I wonder whether the minister, when he deals with this matter on second reading, will be able to say whether the change in this legislation has been brought about because the banks are not taking advantage of the wider opportunities which the changes in the Bank Act made available to them for the purpose of entering into a wider area of lending activities. I think that is a question in which the committee will undoubtedly be interested.

I will use this opportunity to make the point very briefly that I think this is one of the programs put forward by the government which will have to be used very widely if we in this country are to survive and prosper in the industrial and commercial sense. There are some very serious prospects lying ahead of us and I think it will be essential for business and industry in this country to be efficient and competitive, and to be armed with the most modern know-how and methods of carrying on their business, not only for the purposes of the domestic economy but more particularly for commercial relations in trading with the rest of the world. I base my statement on two reports which have appeared in today's daily press. In the *Montreal Gazette* there is a statement made by the director general of the General Agreement on Tariffs and Trade, Mr. Eric Wyndham-White. I will simply read the headline with which I am sure the minister is familiar. It reads: "Resurgence of Protectionism Threatens Kennedy Round Results, Says GATT Head". Mr. Wyndham-White, who is a very knowledgeable director general of the GATT group, indicated that while great benefits will flow from the Kennedy round, nevertheless there is beginning to emerge in different parts of the country a trend toward protectionism. This was mentioned in the debate yesterday in connection with the position that the United States is taking with regard to the entry of steel and steel products.

The point I want to make is that very shortly Canadian industry, both large and small, which is engaged in international trade will be compelled to perform its function effectively and economically so as to be able to compete in the markets of the world. At one time it was considered that only on the basis of an economy of scale and having available large markets were you able to produce in such a way as to be competitive.