

*Establishment of Industry Department*

not to give employment, but products. Indeed, the industrialist today must manufacture, manage and dispose of his goods. A superior quality product must be offered at a competitive price. Any industrial enterprise must also be managed as economically as possible, so as to be able to face competition. And, after having produced goods of the highest possible quality at the lowest possible price, an industry has to dispose of them, and it is more particularly in this field that the federal government, through its new ministry, will have to help industrialists to settle their problems.

Today, industries are not lacking in production, and I do not think that a single member could rise and tell me that we are lacking such and such a thing in Canada, this country of plenty. Indeed, we have an abundance of products and our storehouses are over-stocked. If the government proposes to increase productivity in Canada by creating a department of industry, I think this is a mistake. Indeed, if we persist in applying the same old remedies as in the past, nothing will be settled.

What surprises me most, is to hear my good friend, the hon. member for Bow River (Mr. Woolliams) suggest that the means of helping our industry is to ask the federal government to abolish the taxes imposed upon it now. Mr. Chairman, it seems to me that the hon. member should have suggested this three months ago, when his party was in power. As a matter of fact, if he had convinced his party that his suggestion was well-founded, he would hardly need to ask for an abolition of taxes today, because the taxes we are paying now, under Liberal rule, are the same as we paid three months ago, under a Conservative government.

Mr. Chairman, it is strange to see how the Conservatives, now that they are in opposition, have regrets, compunction, and also, within hand-reach, solutions and remedies for any problem to suggest to the government. On the other hand, on the government side of the house, they claim that the country's productivity must increase. But let me tell hon. members of the government that that is not the proper solution for our industrialists, because nowadays it is not production that is failing in Canada but rather the way to dispose of our products, of our resources and the way to empty our warehouses, because our Canadian people would be quite happy to be in a position to buy what already exists.

Mr. Chairman, I think this government should first of all take the heavy tax load off the Canadian industries because taxes

are a factor in production costs; when an industrialist adds up his production costs, he considers his taxes.

When we consider that tonight the new administration in its budget will probably indicate that about 20, 25 and probably 30 per cent of the gross national revenue will be used by the federal government for its own operation, we wonder what is going on, because it means that the cost of federal government for all the industrialists in Canada is somewhere between 25 and 30 per cent of their production.

Well, Mr. Chairman, if we really want to assist our Canadian industrialists and if we are sincere in establishing this new department, we must definitely reduce taxes which burden our industry.

The second suggestion I wish to make to the hon. members who sit on the treasury benches is, first of all, to make available to our Canadian industries the necessary capital to permit an easier turnover in their inventory, their capitalization and their capital investments.

It is a known fact that at the present time the federal government, through its bond issues and its direct and indirect taxes, has monopolized most of the private capital in our country.

This seizure of the savings capital available to us, Canadian industrialists, that investment capital was used to secure government bonds in order to finance the war, or its own financing, has faced us with an accomplished fact: the private capital available to Canadian industries has been engulfed and absorbed by the government.

The second suggestion that the federal government should accept would be, first of all, to make the required capital available to public enterprise in order to withdraw from public enterprise the private capital which has been frozen there until now.

If our industrialists are to finance their own businesses, then the federal government should not finance its operations at their expense, out of the savings made by Canadians to finance private enterprise.

Canadian industrialists do not have to beg for gifts from the federal government. As far as production is concerned, industrialists are far more competent than we members of the federal government to settle problems concerning their respective production. There is no need for a federal government inspector to point out to each industrialist what are his production problems.

What is needed is the assistance of the federal government to settle economic problems, that is to help to balance the consumers' purchasing power at production level, to