

Supply—Mr. Thompson

necessary for the capital development of the projects with which they must proceed. This could be done at low rates of interest. It was done in wartime; it can be done now. I remember an instance during 1942 when large sums of money were needed for financing the war and Mr. Ilsley, the then minister of finance, announced that so many millions of dollars had been borrowed. A member of the Social Credit party asked him what rate he had paid for the money and he replied three quarters of 1 per cent. This member of the Social Credit party then asked him how this was possible and the minister replied, "Well, this is for financing the war. That is all it cost. Why should we pay more?" If we could do it at that time on that basis, why not do it now for schools, hospitals, roads and other public development projects? If we could bring in such a policy, we would not have to be running to the United States to borrow the money for the tremendous expansion that this country needs and should have in order to move forward in a logical and orderly fashion.

There is another area, Mr. Speaker, that I think is vital to the economy of the country as it relates to the credit supply of the country, and that is the export of our surplus agricultural production. We have heard a lot said today about war, but actually the secret to peace in the over-all aspect is making it possible for people all over the world to have enough to eat. Until we do that we will never have peace.

I would suggest that the Bank of Canada might also be used to set up an import-export bank to finance the sale of our surplus primary products, especially those of the agricultural sector of the economy. There are millions of people in India today on the brink of starvation. In fact, according to the press last night there are 10 million people threatened with starvation in India this year. Some time ago we had a great hue and cry about people starving in China and some said we should finance the export of wheat to help them. What is being said by those people today about the starving multitudes in India?

India does not want a hand out but India cannot pay \$2 a bushel for wheat when its own economy will produce wheat for 50 cents a bushel. I suggest that if we could finance the export sale of our surplus products under the Bank of Canada, we would be moving into a real realm of opportunity to bring about peace in the world. Combined with our

[Mr. Thompson.]

own know-how in agricultural production we could do more by far than we are doing to remove hunger from the world. Instead of that we use some of our grain to manufacture beer and we do not say anything about the cost to our economy in that regard.

I believe, Mr. Speaker, that if the government would only face up to these three areas, first, liquidation of our debt, second, the capital development needs of our municipalities and provinces and, third, the provision of capital to finance the sale of our surplus agricultural products and other primary products, then this country would be moving forward with a great increase in its gross national product, not an increase such as we have had this year but an increase of up to 10 per cent per annum. It is in these areas that we are sadly neglecting our responsibilities.

There is just one other area I wish to mention in closing that deserves our attention. I think our permanent committees of the house, the committees concerned with studying such problems, should get to work as quickly as possible when the Carter Commission report relating to the general simplification of our whole complex tax structure is received. We are the victims of a bureaucratic system of taxation that is choking the very life out of us; yet all we seem to be able to boast about is a willingness to go along with the status quo, refusing to meet this problem objectively. It is not necessary to say too much about this subject because we are looking forward to the report from the Carter Royal Commission, but it is absolutely essential that something be done and done quickly in the whole area of our economy and specifically for the small businessman of this country.

● (6:10 p.m.)

The small businessman of this country, with the present tight money policy of the banks and with problems of a financial nature, are gradually but steadily disappearing from the scene. I refer to small family farms and every other kind of independent small business. The government must take note of all aspects of society and the small businessman and the retailers are as fundamental to the makeup of society as the family farm. Just as the small farmer has been virtually neglected in the agricultural policies of past governments, so the independent retailer is the forgotten man in business policies.