*Export Development Act*

At this stage, Mr. Speaker, I would like to quote French author André Philip who, in his book *Histoire des faits économiques et sociaux,* explained how the United States paid the 1914-18 war debt of Germany as follows:

Between 1926 and 1931, the financing worked in a strange way. After the collapse of German currency, the Allies had considerably reduced reparation debts imposed on Germany. The principle of reparations in kind had been rejected from the beginning for fear of the competition that German business leaders could thus make against French and British firms.

Mr. Speaker, that is precisely what I have just explained. In trying to export goods, an effort is being made to export unemployment and that is exactly what the French and English feared when they asked Germany to pay off her war debt.

I resume the quotation:

Reparations having been transformed into cash annuities, Germany's payments could not be very high since compensation, in the form of products it could supply, was being refused. The Dawes plan (1924) reduced the amount of war reparations and, without anyone being aware of it, a very special system of war reparations settlement developed. At that time, there as an abundance of funds in the United States; the Federal Reserve Bank was starting to put a stop to speculation on the New York stock exchange; available American capital looked for short term opportunities abroad and poured into Germany. German bank reserves being thus strengthened, Germany was able to pay off the smaller amount of war reparations; with the money they received in turn, the French and British governments paid back their interallied debts to the United States. Those settlements increased ready cash in America and provided increasing amounts of American capital for short term investments in Germany. The cycle started anew, and finally, the Americans paid off the war reparations debt Germany owed.

Mr. Speaker, developed countries now face the problem of keeping the wheels of industry rolling, and maintaining employment.

But as production capacity has increased and the industrial revolution is spreading to under-developed countries, the gross national product increases by leaps and bounds while demand decreases. Thus, both on the industrial and domestic scenes, the problem is the same: a glut which stems from an insufficient purchasing power.

The solution to the international trade problem will be around the corner as and when we recognize that the evil is rooted in our own country. The problem to solve is that of domestic distribution. Why should we try to export more when we cannot even find the way to consume more in Canada?

As far as international trade is concerned, the sole need for exports is justified by that of reimbursing the amount due on our imports. The "export or perish" motto is meaningful only if we accept the fact that we must export an increasing portion of our production, over and beyond our imports, so that the employment level be maintained and that workers may earn enough money to purchase the balance of our domestic production.

We now come to one of the Créditistes' favorite themes. In developed countries, production techniques have been harnessed to such an extent that we are now in a position to produce all necessary goods and services to live not only adequately but in ease.

Then, Mr. Speaker, instead of seeking to export more, why not try to consume more? When I am convinced that all Canadians have enough goods at their disposal, that they can acquire enough to satisfy their needs, then I will be in full agreement with the contents of Bill C-184 and ready to accept it. However, it cannot be said that Canadians today enjoy the kind of buying power that would enable them to acquire all the goods and services they need.

Over the Christmas season, I have had the opportunity to meet several Canadians, many of whom family men, who had to eke a living out of unemployment insurance benefits or welfare allowances.

They could not find a job, earn a salary, receive an income. I saw in these families,—and that happens often; others have had the opportunity to realize it; I am sure,—that at the end of the month, before the next allowance comes in, there was not even a quarter left to buy a small box of aspirin to relieve physical pain.

Now, Mr. Speaker, faced with such a situation, instead of trying to export more, we should try to consume more.

We hear everywhere—and that is nothing new—that the workers are asking for salary increases in order to be able to buy more goods, but continued price increases cancel out these salary increases immediately. Therefore, we no longer need what has been proposed by the Beaupré report, the CNTU or other trade unions. In fact, it is not so much salary increases that we need, as increases in our purchasing power, so that we can buy more goods and consume more.

An increase in purchasing power may be achieved in two different ways. First, by increasing salaries and incomes, and then by reducing prices, which can only be accomplished by reducing income taxes and federal and provincial sales taxes. Only thus can we effectively reduce prices and increase purchasing power. We are now faced with a decrease in purchasing power. For instance, before the Yuletide season, the bus fare between Hull and Ottawa had been 20 cents. Now, without any improvement in service, the same fare costs 25 cents. This is a 5-cent increase and by the end of the week, the clerk, the civil servant, the white collar worker, or whoever has to travel by bus, will see his weekly wages reduced by 50 cents. This means that his buying power will have dropped by 50 cents without additional service.

I am not saying that Bill C-184 should be rejected. In my opinion, it should be introduced and referred to the committee for thorough consideration; however, I contend that this is not the true solution for checking unemployment in Canada, for attaining full employment as requested by so many people. I believe that if we want to be able to make every Canadian happy and satisfied, we have to strive for an increase in consumption rather than in our exports.