financial critic of the opposition has to refer to this type of criticism, it strikes me that their party cannot find much that is seriously wrong with the budget.

There is just one other subject of criticism from the same hon. gentleman, which struck me most forcibly. It is his reference to the easy money policy of this government and the question of interest rates.

At page 2803 of *Hansard* we find the following remarks:

For that reason I say that I believe the preservation of a strong middle class—

Again the middle class.

—is important not merely economically but as going down to the very roots of our political being.

And further down:

Fifty years ago the man who retired with a modest competency could get five or six per cent on it and he could reckon on living the rest of his life upon the proceeds. What happens today when he receives three per cent? And he is lucky if he gets that.

And further down:

I suggest that this very important factor be taken into consideration—it is very important indeed—that there are large elements in the community who are suffering greatly by that policy. One other thing I would like to say in that connection. I would ask whether we can go on freeing other things and leaving the rate of interest tied down tight.

Mr. Speaker, this is where I and, I hope, the vast majority of Liberal members in the house—I am sure my hon. friends directly opposite share this view—and, I hope, the great majority of the people of this country, say we differ radically from the policy of the Progressive Conservative party.

On the other hand, I am grateful that the party has so clearly expounded its position on this important question. The hon. member fears that interest rates will remain tied down tight. I regret to say that his fears fill me with joy. Yes; I do hope that interest rates will remain tied down and will be pressed further down, and tighter. In the middle ages theologians and moralists took the view that it was sinful to charge interest on money lent. This practice was generally described as usury. The immortal drama by Shakespeare, "The Merchant of Venice", is based almost entirely on this very principle. For some reason or another the churches relaxed from this hard and fast rule, and gave tacit approval to the charging of interest. I suppose the answer of the moralist to this change of attitude as regards the ethics of charging interest might be explained in terms somewhat similar to those of the Divine Teacher when asked why, under the old law, a man was permitted to have more than one wife. When it comes to quoting scripture, I am not well versed, and I would not know where to find the passage in question. But my recollection is that the answer was somewhat along this line, that it was on account of the hardness of their hearts. Possibly it was on account of the hardness of the hearts of moneylenders that interest rates were subsequently tacitly approved by moralists and theologians.

Why should anyone be reaping interest, clipping coupons on gilt-edged securities, and sit idle, while someone else toils to pay the interest on those bonds? Why should anyone thrive, in that manner, on the fat of the land? Our present-day civilization, with its highly developed economic and financial system, makes it possible for a person to set aside for the future the proceeds of his labour, in excess of his immediate wants. This excess of his productive activity he can convert into money or liquid assets, and tuck it away in absolute safety to be used at some future time. This happy state of affairs was hardly possible centuries ago, and it is not likely possible in countries which have not reached our degree of civilization, as, for instance, great portions of Asia and Africa.

But the fact that our society makes this situation possible should be sufficient reward for the saver. Therefore there should be no necessity for paying him, in addition, juicy interest in the nature of additional reward for his savings. Please bear in mind that in speaking about interest in this vein I have in mind gilt-edged securities, such as government bonds, and so on. There are a great many people in this country who think as I do. May I just refer to one of them for the time being. Every member in the house knows, or should know, about Wilfred C. Krug, who, every once in a while, writes open letters and advises the Minister of Finance and parliament how to handle money situations. I had heard of this gentleman some time before coming to this house, and I agreed with him almost entirely on financial matters. For that reason I save every letter that comes from him, and commend his writings to the attention of all those who are eager to listen to the other side of the story. Much as I should like to quote extensively from Mr. Krug, I shall confine myself to just two paragraphs which appeared in a letter reproduced in the Windsor *Daily Star* of March 26, 1947:

While we detest the reparation policy that Russia is trying to impose on conquered countries, we completely overlook the burden that was imposed upon the Canadian people as a result of the war. A sum of $481,207,000 annually is being exacted from the Canadian people in the form of interest on the national debt. It is a form of reparation demanded by a creditor class for loaning money to help win the