

The Address—Mr. Otto

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the only extent to which the hon. member's question is accurate when he says that the problem is due to lack of space is the fact that the space available is being filled by barley and Durum and lower grades of wheat which are required to be moved to the considerable markets for them. The Wheat Board has under consideration the appropriateness of opening quotas for the higher grades of wheat and is daily watching the space situation and the availability of space for these grades.

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SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Monday, October 19, consideration of the motion of Mr. Jacques-L. Trudel, for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Steven Otto (York East): Mr. Speaker, while members are leaving the House, may I say that I am sorry to see that the Minister of Finance (Mr. Benson) is leaving as well, as has his parliamentary secretary. This gives me a wonderful opportunity to continue some comments that I started last night in connection with our economic and financial position.

I had been reviewing some of the causes of the malaise that is current in our nation, and specifically the tragic fact that we have stratified our society into small, very tightly knit groups. As a result, the individual finds it impossible to express himself or to gain any position in society without waiting a long time trying to break into that group. I spoke specifically of association such as law societies, medical groups, manufacturers associations, unions, trade guilds and all such things.

● (12:00 noon)

The answer is a very difficult one, but it has to be found and the Prime Minister (Mr. Trudeau) is in the best position to find it. He said originally that the new constitution would have to include certain rights for individuals. I suggest that of paramount importance for inclusion in the new constitution is the right of an individual to practice a profession, a trade or a calling, and the right of persons to enter into business without asking or begging leave of a small, tiny group. Standards of qualification for individuals in Canada should be set by the state, not by those people who are interested in minimizing the numbers in various groups. This is what must be done, and I hope the Prime Minister includes that in the new constitution.

It has often been said that nothing is so important to the people of Canada as the economic picture, and that is true. We have in the past suffered almost any indignity without too much furore, but our pocketbooks are of prime importance. No matter how strong a leader or how good his government is, if there is unemployment, insecurity and a lack of opportunity that government is going to go down to defeat. This is not strange. We are

[Mr. Skoberg.]

very cautious people. We like savings, we like life insurance policies and we like security. When the Minister of Finance said there was going to be additional unemployment, that statement struck fear into the hearts of most Canadians because no one knows who is going to be next. In Canada, unemployment is a degrading thing.

Therefore, let me make a suggestion to the minister. He said he was going to lift the monetary restraints and he is trying to do so. I think it would be a drastic mistake to remove all restraints. If financial restraints are lifted, the only result will be more inflation. This is the time for selective lifting of restraints. The Bank of Canada has already reduced the interest rate. There is more money available. What have the commercial or chartered banks done? They have put the red convertible loan advertisements back on the television because this type of lending is more profitable to them. This consumer credit involves a rate of interest up to 32 per cent. For what more could you ask?

This is the time for the finance minister to consider a new approach entirely, and that approach is this. What is it that the banks hold of great importance? I suggest the answer is reserves. In other words, at the moment the banks have to put 7 per cent or 9 per cent into the Bank of Canada for reserves. I suggest to the Minister of Finance that he now consider dividing reserves into two categories. If the banks lend money to business and industry to replace their capital goods or equipment, thereby creating employment, their reserves will be 2 per cent. However, the reserve required in respect of consumer credit will be 20 per cent or 30 per cent. In that way, the Bank of Canada could control the chartered banks so that they would put out the money where it is needed, and at the moment it is needed most by industry for replacement of capital equipment in order to become more productive.

In our economy, the minister should place more emphasis on productivity. I do not think the money he indicated would be used for additional welfare will do much good. I would much rather see that money spent on retraining programs. The money that is to be allocated for giveaways should be transferred to retaining programs through the Department of Manpower and Immigration in order that we can better equip our people to become more productive.

The area development program has always been questionable because it is founded on the idea that the administrators know how and what to do for certain areas in order that those areas can become self-sufficient. I suggest that the emphasis be changed and placed on market and production research. In today's sophisticated research experience, each area in Canada has a certain product that, it can most efficiently produce. Many areas have services that they can best perform. This matter requires the advice of experts in the field, not bureaucratic experts in the government. Such decisions require the advice of manufacturers and people in market research in order to guide development.

Let me give you an example. Some time ago, and I am talking about seven, eight, or nine years ago, a shipyard