

Suggested Interest-free Loans

they be for municipal financing or for low cost housing, and have the banks work in the direction of this policy. This could be done by the government imposing a profit level on the banks, restricting the spread between what they pay for money and what they charge for money. The interest rate could continue at its present level for those areas of low priority but for the things which we think are fundamental and important to an intelligent, humane civilization, the banks would have to provide funds at low interest rates. This is not as far out as it sounds and that is why, as I said, although I cannot support the Social Credit motion—

Some hon. Members: Oh, oh.

Mr. Saltsman:—I sympathize very much with my hon. friends' sense of injustice, with what they want to do. However, I cannot give them anything more than sympathy until they see things a little more clearly. I understand what they are trying to do, and I appreciate what they are trying to do, but they think you can have something for nothing.

Some hon. Members: No.

Mr. Saltsman: What always disturbs me is that the Social Credit party postures as the great defender of the little businessman, and at the same time it wants interest-free money. But there is a mechanism involved. They cannot have both. They cannot have low interest rates for the private sector, and interest free money in the public sector.

Mr. Gauthier: You are all mixed up.

Mr. Saltsman: There appears to be a difference of opinion, Mr. Speaker, and that is why I cannot support their motion. I have listened very carefully to the Social Credit party spokesmen but after all these years of listening to them I remain unconvinced. Perhaps their advocates are not as persuasive as they might be. Perhaps some day they will have an advocate who will be persuasive. I think there is an inherent flaw in their theory. They try to walk on both sides of the fence and the result is that what starts off as a laudable outlook with regard to some of the problems in our society, becomes discredited because of the lack of thought attached to it.

Let us take a look at the smart boys in government, the people who deride Social Credit theory, who cannot see the germ of truth that exists in it, and who try to dismiss it. The exception, of course, was Hon. Walter

[Mr. Saltsman.]

Gordon, the former finance minister, who turned out to be a supporter of the Social Credit party when he voted with them on one occasion. Let us look at how intelligently these smart boys are approaching this problem. They start off by saying, "We have a great problem in this country. Inflation is a terrible problem. We are going to pull out all the stops and do something about inflation. The way to tackle this problem of inflation is to create unemployment." They all sat there in great, solemn convocation, and reached this earth-shattering conclusion, despite all the evidence that the causes of inflation are external to Canada. Virtually all of our inflation is inherited because of our close association with the United States and, in fact there is very little we can do about it. The most draconian methods will only create a marginal effect on inflation in Canada so long as the United States pursues its insane policies in Viet Nam. Despite this evidence which is coming from virtually every major economist in the country, the great and solemn conclave over there creates unemployment.

Unemployment is not a costless thing. I would not mind them having a little fun, a little pleasure in playing games, if it did not cost the nation too much. But it is a very expensive little game that they are playing with the lives of the Canadian people and with the future of our economy, because we have over 500,000 unemployed people now. I made inquiry of the ministry as to what unemployment was costing Canada. I wish to quote from a return that was given me on March 2, 1970. I asked this question:

1. In its economic planning, does the government attempt to assess the cost to the economy of different amounts of unemployment and of different degrees of inflation and, if so, what techniques are used in calculating these costs?

2. Does the government compare the cost of inflation and unemployment in deciding what fiscal and monetary policies to use?

3. What is the cost of having an additional one per cent of the labour force unemployed?

The great geniuses on the other side of the House, who are charged with the responsibility of running the government, thought about this for a considerable time, and then in the great parliamentary tradition answered my question as follows:

1. The Department of Finance maintains a continuing analysis of the economic situation and outlook with a view to assessing likely trends in the economy, including movements in prices and unemployment. A wide variety of techniques is used, including surveys, statistical and econometric anal-