

Government Monetary Policy

I might say at this time that this money has been very welcome to a number of small towns on the prairies. We have also increased the number of loans and the amount lent for the purchase of farm lands; we have increased farm improvement loans by more than half as much again. We have also made arrangements for government guaranteed loans to small businessmen.

All these increases have been put into effect since this government took over and yet the official opposition continues to say that we have brought in nothing but tight money policies. We have lent money in respect of winter works projects; we have increased grants to universities. Universities in the province of Alberta receive from the federal government up to \$300 per student. We have granted money in respect of university residence construction, for sewage disposal projects, and as one hon. member mentioned in the debate today, we have increased old age pensions by \$9 although he did not feel this was much, even though it amounted to some \$100 million. He suggested it was nothing to crow about. I think it is evident now that those hon. members who support this view wish now that they had increased the pensions by \$9 rather than by \$6. We have heard a great deal of discussion about the unemployment insurance fund. No one on the other side of this house has mentioned the increase in the number of days for which an individual can collect unemployment insurance. This is one of the steps that President Kennedy has suggested should be taken in the United States.

A great deal of the discussion has related to the cost of living index. I have here the Canada year book for 1960 which gives the cost of living index for each year. The member from Kenora-Rainy River (Mr. Benidickson) said it had increased from 121 point something to 129, a rise of 8 over a period of approximately four years. Where he found these figures I cannot say.

Mr. Benidickson: The Bank of Canada statistical summary.

Mr. Horner (Acadia): I am reading from the Canada year book for 1960, page 985, which covers the year 1957, the year in which this government took office. Surely he does not expect that the rise in the cost of living index would be halted immediately on the government taking office. It may have been 121 but I should like him to notice that in 1958 it was 125, and on going down to July 1960 we find it is 127.5, a rise of 2.5 points. Surely that is a proper comparison and has a far better relation to the situation than the figure he used in assuming that this government

should have been responsible for everything that happened in 1957 and should have rectified things immediately.

The hon. member for Welland (Mr. McMillan) went on to speak about what was happening. He said that the government should know everything that is going on in the Bank of Canada. From the way in which the governor of the Bank of Canada has been speaking about the Bank of Canada, nearly everyone knows what is going on there. He has been going across the country doing a great deal of talking, something that I think he should not do. He is a person in a responsible position and rather than try to paint a gloomy picture of the economy of Canada or of the finances of Canada—

Mr. Chevrier: He is preaching gloom and doom.

Mr. Horner (Acadia): I realize that he is a Liberal appointee and that he may preach just in the way the hon. member for Laurier wants him to preach; I am not sure. However, I think that a person in a responsible position such as that which he holds should have a greater tendency to control his remarks and to keep his comment on Canada to himself or express it to the government in a confidential manner, one or the other.

The hon. member for Welland went on to speak about deficits about the fact that we had a great debt; that debt management was a problem and that the matter of raising the interest for this debt management was an even greater problem. What did the Leader of the Opposition (Mr. Pearson) say in 1958? He said that we should have a deficit. He said, "If I were elected Prime Minister of this country I would give all Canadians a tax holiday". What would the deficit have been then? What would the problem of debt management have been? What would the national debt of this country have been if he had been able to fulfil half the promises he made at that time?

Mr. Woolliams: Who would know?

Mr. Horner (Acadia): I shudder to think what the problem of debt management would have been or what the interest on the national debt would have been.

The hon. member for Welland talked about fiscal thinking. He said that nobody knows the fiscal thinking of the government. May I say that nobody knows the fiscal thinking of the opposition. On the one hand they are talking about debt management. On the other hand they are saying, "You are not doing enough for unemployment". Yet when we bring in measures to increase employment they say, "Too little and too late". Some of these measures have a tendency to reduce