Mr. OTTO: The senator meant advertising rather than publicity.

Mr. SALTSMAN: Is that the correct interpretation?

Co-Chairman Senator CROLL: The professor knows the question well. He has been through it before.

Professor NEUFELD: Personally, I do not think it would be very desirable to interfere with advertising in this field because it is part and parcel of the competitive process in industry. The trouble is you want to have several of these things all at once. You want a fairly competitive industry and increases in efficiency with costs as low as they can be. One of the aspects of a competitive industry is advertising. At the same time I think we should impose, through monetary policy, sufficient restraint on the lending ability of those industries so that if they have people who want more loans because of this advertising, that is their business. Let them deal with it as best they can. I do not think it is desirable to control consumer credit by controlling the advertising activity of the institutions within the industry.

Mr. SALTSMAN: I think it went further than consumer credit.

Co-Chairman Senator CROLL: Well, we will leave it.

Mr. CAMERON: I would like, first of all, to return to the question of fixed versus floating exchange rate. I was interested in what you had to say because for a long time I have felt that the fixed rate presents us with a "Hobson's choice" of inflation, on the one hand, or pursuing an alternative policy which will create unemployment, on the other.

How quickly would the self-regulating features of floating exchange rate come into operation to prevent dislocation in the economy, and what effect might Canada's return to a floating exchange rate have on our negotiations with regard to—and I know you do not want to get into this dark forest—but negotiations on international liquidity?

Professor NEUFELD: I think at this stage it could well be the people who are closest to these problems would form the view that from the point of view of strategy it would be undesirable for Canada to opt for a floating exchange rate, because they might say we are on the threshold of general improvements in the problem of international liquidity. If people who are close to this problem, whose opinion I respect, came to that view I would go along with it, but it would not change my view about floating exchange rates. I really think the best solution would be if Canada, in concert with a number of other countries, could at least move to a modified floating exchange rate, as a minimum.

Of course, there are numerous articles that recommend this and that scheme. One that recently came to my attention would involve widening the spread between the buying and selling prices of individual currencies permitting the market to operate within that spread, and then using the average of the market rates to determine a new par value at fairly regular intervals, and then permitting a new spread around the new exchange rate. I am not wedded to any particular scheme, but I can see where this might have the advantage of bringing the two camps together—the people who favour a system of floating rates, and the people who favour a system of fixed rates. I have seen nothing that would lead me to believe that a system of fixed exchange rates is better than a system of floating exchange rates.

Mr. CAMERON: I would like to come back to a question that has been brought up several times—the last time by Senator Vaillancourt—with respect to the effect of interest charges on inflationary pressures. I would like to refer you to Table 5 of the paper presented by Mr. Bryce yesterday, and ask you to look at Item 5 on that page. When I looked at this table I was struck by this rather interesting feature of it, namely, that the share of the gross national product going to rent, interest and miscellaneous investment income has risen