

spend more money on direct job creation, and do not worry about who will pay the bills.”

What have we heard today? I must admit that I was waiting in anticipation to see whether the hon. member for Etobicoke Centre (Mr. Wilson) would have on his red shirt today or whether he would have on his blue shirt. For a moment, when he started talking about the money supply, I thought he had on an old Social Credit shirt. But I kept listening and I heard a speech that was very heavy on diagnosis, but when it came to prescribing any surgery, I heard nothing.

Mr. Fennell: You don't listen to us anyway.

Mr. Smith: It wasn't too long ago that the hon. member for Etobicoke Centre spoke to the Canadian Club. He basically agreed with the government's policy on restraint. You have to go through the speech quite closely to find out that the hon. member was not differing with the position of the Minister of Finance in his policy of restraint, but he could not quite bring himself to say something complimentary about the minister. The bottom line was that the hon. member was talking restraint, and I suggest that is really what we heard here today.

Coming back to the NDP motion, which is really what we are dealing with, I submit we have a motion that is perhaps well intentioned, I will give them that. I think the hon. member for Kamloops-Shuswap is well intentioned. But I say this, and I say it very kindly; the motion was naive and simplistic. The hon. member did not address any of the following problems: money leaving the country; exchange controls; the dropping dollar and the loss of confidence in the currency of this country. None of those things seems to bother the NDP.

What does this government do when it looks at the problems that face the country? I suggest this government and this party believe in a balanced approach. We do not belong to Socialist International, contrary to what my hon. friend from Etobicoke Centre suggests. This party and this government believe in social justice but within a free enterprise system. We on this side of the House believe in the work ethic. We on this side of the House believe in incentive. But we are also the party of the government of this country that has brought in the social programs of which we are proud. We on this side of the House believe in unemployment insurance. We believe in old age pensions. We believe in medicare. We believe in universal programs. That, I suggest, is what really boils down to a social justice fabric within a free enterprise system. We have a balanced approach. We are trying to fight inflation on the one hand, while on the other hand we have programs that address themselves to those who are truly in need. Take mortgage rates, for example.

Mr. Baker (Nepean-Carleton): You take them.

Mr. Smith: What has happened? We brought in a bill several weeks ago—

Mr. Fennell: Big deal!

Supply

Mr. Smith: —that would provide money for those in dire straits whose interest rates constituted more than 30 per cent of the entire family income. What happened? We heard eight days of debate on second reading from the other side, only to have members opposite vote for it.

An hon. Member: Do more.

Mr. Smith: How did we get the vote? We had to use time allocation to get it and then they voted for second reading. That is unbelievable. Has that bill gone through yet? Of course not, because hon. members opposite have been on strike for the last couple of weeks and we have not been able to move it along.

Mr. Fennell: You cancelled the committees.

Mr. Smith: What about those people who live on farms and need to have more money put into the farm credit bill that we are trying to get through? Can we deal with that? We have not been able to deal with that because hon. members opposite have been away.

Another example of a balanced approach is the job retraining programs which the Minister of Employment and Immigration (Mr. Axworthy) recently announced. I think all of these things indicate what I would suggest amounts to a balanced approach by a government that wants to fight inflation, but, on the other hand, one which is able to come up with programs to help those who are in dire straits, such as those who are having problems renewing mortgages.

Those are the things we need to hear in this House. We need a useful debate. A useful debate would put a little more emphasis on solutions. What we have had from the other side today is diagnosis; when it comes down to prescribing surgery, we heard a few mutterings about increasing production. I suggest the most responsible, perceptive and honest statement that has been made in this House today was made by the Minister of Finance. I support him fully, and that is why I am happy to stand up and participate in this debate.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, one thing we should do is congratulate the New Democratic Party for introducing this motion. At least it got the House into discussing something of great concern to the country. I will go further and congratulate the hon. member for Kamloops-Shuswap (Mr. Riis) for coming out with what I believe to be two truths. One is that inflation is the interest rate. Interest rates are a large component part of the whole. That is a truth that has to be stated in this House over and over again because we have some nitwits in the Department of Finance and in the Bank of Canada who actually believe that interest rates are a tool of monetary policy. There is no such thing.

The second truth the hon. member mentioned was the concept of productivity. Sure enough, he did not go into details, but he is on the right track. Whenever there is a large number of unemployed and unused plant capacity and you spend money to put people to work, you fight inflation. I will