

Canadian Economy

was, he was wiped out in a western riding because of such stupidity.

We have seen the same stupidity in this House in the last week when not only the Minister of Finance mouthed this type of empty rhetoric, but the statement was repeated again today over and over again—that if we do not keep interest rates high, our dollar value will decline. There is no evidence that such a thing will happen.

In late 1979, when the governor of the Bank of Canada was asked for evidence that since he applied this monetary policy in 1975 it had kept the dollar value up, he said that he did not have any evidence. That made headlines in the newspapers. You would think reasonably literate people would not repeat that simple statement again, yet it happens half a dozen times a day in this House. People claim that if we do not keep interest rates high, our dollar will drop. The governor of the Bank of Canada or anyone else who looks at the evidence knows that there is no evidence of that; in fact, the evidence is to the contrary.

It is the same with the other great truth that they enunciate—that when you save a lot of money, interest rates are supposed to go down. Ten years ago Canada not only led the world in per capita savings, but between 1975 and 1979 the rate of savings increased from 5 per cent to 11 per cent; last year it dropped to 10 per cent. No other nation in the world saves more than Canada but the book on economics says that if savings are accumulated, interest rates are supposed to go down. I will not get into the semantics of that today, Mr. Speaker.

I hope that the government recognizes that in 1979 people sense that it was tired and bankrupt of ideas. That is why it was turfed out exactly two years ago today. Through an accident of political demagoguery and trickery it was returned and it thought that God had spoken—that it is now right in everything. We now see this tame, tired, dispirited group without ideas. It knows full well that the civil service cannot help it any more. The men at the top of the civil service have made up their minds about what is right, based on theories learned 30 or 40 years ago. In spite of all the quantitative evidence to show that they are wrong, they cannot bring themselves to make changes. For ministers of the Crown to defend that nonsense brings us all into disrepute.

A few years ago, the Minister of Industry, Trade and Commerce was so much against high interest rates that he said if the government did not bring them down, he would resign. He has destroyed his credibility because he did not resign. Now he comes into this House and reads off a list of things which is barren of ideas for helping out with the interest rate problem.

What we have to do today, Mr. Speaker, is to recognize that politics has fallen to the level of the scam or, to use an old fashioned word, fraud. The whole constitutional debate has been fraudulent. We have not even begun to discuss the Constitution. What we have seen is great posturing on the part of politicians as if they were examining something. The government must know that it has failed in that undertaking. It is

just a matter of letting it die a natural death. Then there is the great cry over energy prices. The government must accept the fact that it has failed and that it must make an agreement. But today, when the government is in trouble, the only solution known to civil servants is reorganization.

The Minister of Finance has become head of the policy group of the International Monetary Fund. That has happened to Canadians before and I am not opposed to it. Personally, I am glad he is out of the country so that he does not make us all look so foolish by making statements in the House. He has been zigging when he should have been zagging so often in the last eight or nine months, that it is a good thing he is out of the country! Let these newly evolving nations have him. If they think they will get anything out of him, they are mistaken.

I should like to put forward a few ideas that could have some possible positive effects, and I shall list them. There is no doubt in my mind that in the next two or three months, since we are not doing well in economics and since the constitutional scam has collapsed, as has the scam over energy prices—even Ontario betrayed it the other day—there will have to be a new scam. It will be Canada taking a position among these newly developing nations as the great white father who is on their side.

Let us be honest, Mr. Speaker. We want to help the developing nations in the world. Let us not try to hide what is actually happening, however. We know that they will not be helped by a continuation of the present type of handout. These handouts have done more to make enemies for the United States, Canada, Great Britain, France, Germany, and the other nations that gave them handouts. These newly developing nations know that a handout is given primarily for the purpose of lining the pockets of the local politicians of the governing party.

Mr. Blais: Nonsense.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Those countries know that the pockets of Canadians are also being lined because not a single handout is given unless the nations buy something in Canada.

As many hon. members may know, I have felt a load on my conscience over the last 20-odd years about doing something about this. As the Minister of Transport (Mr. Pepin) and others well know, I have been trying to organize international trading companies which would help these underdeveloped countries trade with others. They would make money in the process and so could afford to buy what they want, where they want. It would be a three-way trade, not this bilateral economic imperialism that we have practised under the present handout policy.

I know what ministers and what ordinary businessmen in these countries say. They say, "Your country comes to us with all these offers and a list of things that we are expected to buy from Canada." They know that it is economic blackmail. They may smile at you so as to get some more handouts but in their hearts they hate your guts. That is the frank truth of the handout route.