

Anti-Inflation Act

tom, it is like a cancer where the cells flout the rules that govern the health of the organism. It begins as a symptom but it ends as a cause.

Inflation has always been with us; a mild infection accompanying growth. I am sure that few of us can remember a time when some prices have not been rising. Inflation embitters and corrupts. It embitters some by unfairly taking away the wealth they have earned. It corrupts some by giving them wealth they have not earned. The ethic of giving to society is destroyed by the action of taking, and we think less of society and ourselves.

The worst demoralization is among the middle-class, the silent salaried majority who make our institutions work. They see their savings melting away and their stocks and bonds losing value. They fear a collapse of currency that will shrink the worth of their property. They are worried about depression, unemployment, and their pensions. Inflation makes us all self-concerned.

Inflation spreads resentment. People see a steady transfer of wealth from the weak to the strong with no regard for merit, effort, or economic contribution. It makes them see the economic system as unfair, and it makes the political system seem inept. All leadership is discredited. We begin to think there is no answer. We lose faith in the system and then we lose faith in its currency. Money grows cheaper by the month, the week and, finally, by the day, as it did before the collapse of Egypt, the fall of Rome, and the rise of Hitler.

This is not going to be the scenario for Canada. It is the job of the government to see that justice is done, to provide law and order, and to free citizens of fear; we cannot do this unless we can stabilize prices and unless we restore public confidence in money. We live in the shadow of a world wide currency breakdown. We live with the spectre of depression.

Last fall we held recession off with tax cuts and deficits, but now we are paying for it with higher prices. Indeed, already production is falling while the cost of living is going up. Indeed, it is clear that falling production is due in large measure to rising prices and to the inability of many people to pay them.

There is no longer any question of where we should place our priority. Inflation is now public enemy No. 1. It threatens not only the economy but democracy and our freedom. It must be brought under control; it must be restrained.

No government wants to interfere with the cherished rights and privileges of its most powerful constituents; its only certain reward is unpopularity. We knew that some power blocs would say restraint will not work because it limits their power. We knew that some would say it will not work because it limits their personal gain. We knew that others are sincere in their doubt and that many, too many, still want to believe that things will work out by themselves.

We also knew that the nation was crying for leadership on a course that will pull us together, and that, although business and labour would not give us a consensus, the nation as a whole is now demanding it. We do not pretend that this course will be smooth. We know there are plenty

[Mr. Herbert.]

of potholes and we do not pretend to have the perfect solution.

The sacrifices we are called on to make are slight compared to the gains. All we are really being asked to do is live within our income and to give up some short-term loot for our long-term benefit. We are just being asked to consent to our own survival.

For the businessman this means reassessing his operating creed. Is he responsible solely to his shareholders or is he also responsible to his customers and to society? The question has been around for a while, and most businessmen have answered it, in principle at least, with a clear cut yes.

For the labour leader it means cooling the adversary system, with less need for fiery speeches condemning management and less need for extravagant posturing at the bargaining table. It means lessened use of the power that trades more pay for layoff notices, that strains the movement's unity, devalues the money gained, shrinks pension funds, and ends with the power to win nothing.

The fundamental fact is that we are all in the same boat. Our identity of interest is even stronger than our conflicts. No one has more to gain if we end inflation than the businessman, and no one has more to lose if we do not than the unionist. I am betting on them both. I am betting on us all. I still have faith in human adaptability.

[Translation]

If only yesterday inflation was beyond our control because it came for a large part from abroad, today we are more able to overcome it. We only have to stop feeding it through our indiscipline. And the government will set the example by putting a ceiling for all practical purposes on the number of employees and compressing its own expenditures as much as possible.

If we refuse to yield to the inflation psychosis, if we accept to submit willingly to the rules set out by the government without playing the game of cynicals who suggest that the small always end up paying for the big, in short, if we all decide individually and collectively to stop living beyond our means, then we will have made an enormous step in the right direction. And Canada will be back on the road to economic health and social peace both based on a fairer participation of all in the national wealth of this country.

● (2030)

[English]

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I should like to state the position of the Progressive Conservative Party on Bill C-73 this evening. I also wish to point out that it was the Progressive Conservative Party, and especially its national leader who consistently showed leadership in drawing attention to the serious even fundamental damage to our country's national fabric by continuing double digit inflation, and in calling for strong and direct government action to deal with the problem.

Our position on that score has not changed. Right off the bat may I say that is a major difference between the Progressive Conservative Party and the Liberal government which now has had to swallow the cynical and misleading position it kept putting before the Canadian