

Inflation

increase in the next few months". Then the media, always anxious to serve the public, will widely spread the unfortunate news. And what at first had been nothing more than probability rapidly mushrooms into certainty in the minds of the people who will not say anything when the facts are accomplished a little later. The media therefore pave the way for inflation when they want to oppose and fight it.

This explanation may look simple, but it is worth a lot of others, since nobody can explain and solve the present crisis. They try to prove that inflation today is the most difficult economic phenomenon to master, because everyone in his own way contributes to fanning it, even those who claim they have got the solution.

All experts admit they are unable to find an efficient remedy. But in this darkness one thing at least is clear: in front of a handful of people who pull the strings and become excessively rich, and a majority which is being bled white, the helplessness of governments is less than reassuring.

Here is another remarkable thing: economic life is concentrated today within the hands of multinational monopolies which by their worldwide, concerted action create a situation whereby political institutions suddenly appear totally obsolete. Since politicians, through lack of vision, failed to organize the world beyond frontiers, economic forces are doing it in their way. And we know what the results are.

Prices are higher and higher each day, inflation terrorizes everyone, the dollar is losing its strength and the future of our economy no longer inspires the confidence it used to inspire.

The main factor of the spiralling inflation we know is the increase in taxes, direct or indirect, and at every step of the production of an article when it is offered to consumers. Today, not only the prices of tobacco and spirits are swollen mostly by taxes. We must open our eyes. Through taxes governments gradually confiscate an ever larger part of the returns of human work while at the same time subsidizing artificial employment projects and often non-indispensable social welfare. That destroys in individuals the sense of responsibility, initiative and interested enterprise, those very virtues on which is based any free and sound society. That is undoubtedly another factor which contributes to the sickness that is inflation.

Heavier debts and the cost to finance them both in the public and private sectors also play a vital role in the inflationary thrust. If our current policy regarding credit, interest and taxation is not changed in a near future it is not impossible that our system and economy will collapse, crushed by the debt and tax pyramid, undermined by the devaluation—not to say the debauchery—of our currency.

But some minds inclined to smug optimism, as others are to melancholy, contend that there is no reason to be alarmed, and that inflation will go away as it came. For that matter, they say, inflation is preferable to recession. One could go on and say that inflation generates less misery than the economic crisis in the 1930s, and that in spite of the oil crisis a private citizen is better heated than the sun king was. But with that kind of rationale we would still be trucking.

[Mr. Dionne (Kamouraska).]

Furthermore, inflation that has been lasting for over a decade with periods of fever and abatement will not disappear as it came because its causes are not momentary.

When one turns to economists to know the solution to that persistent inflation one is surprised to realize that their explanations—often contradictory—almost always leave the conclusion that it is impossible to eliminate that cancer from the economy. So if one is not fatalistic, one must look for a solution—perhaps not definitive but at least efficient—to that economic problem the social effects of which are increasingly costly strikes.

Political parties when they are in power have no solution to inflation. More precisely, they resort to such quackery formulas as credit restriction and interest rate increase. As experience has shown, not only do those measures fail to stop inflation but in addition they give rise to much more unemployment that costs taxpayers billions of dollars in benefits to the unemployed.

Before resuming my seat, I think fit to point out that in such a situation where all governments and ours especially cannot find solutions, it is about time we examined the remedies or at least the suggestions offered by those who have been observing the situation for quite a while, and made the effort of considering the Social Credit alternative. Perhaps there lies the answer that will be of considerable help in working out today's problems.

● (2020)

[English]

Mr. Bob Kaplan (York Centre): Mr. Speaker, any motion that deals with the problem of inflation is a serious one whatever the solution proposed, because the problem of inflation is a serious one—indeed most Canadians would consider it the most serious.

One constantly hears a plea when inflation is discussed and solutions are discussed that "there must be a better way". The hon. member for Don Valley (Mr. Gillies), for example, said that before the supper hour as often as one could in a 20 minutes period—there must be a better way. He did not say what it might be, however. He did not offer a price freeze solution because, whatever he thought before the last election, events and international experience since then have surely taught him that that is not the way, and that a freeze would have damaged Canada.

I want to take that plea, "There must be a better way", and deal with it in one narrow but critical hot spot of inflation, namely, the area of industrial relations. I have just returned from two days on the west coast. While I was there some irate Vancouverites drove me out to English Bay. I had the opportunity to look out over that bay and see more than 30 ships waiting for the strike to end. It was a long strike, and it crippled shipments. Not only that, it crippled the whole regional economy. Standing at English Bay it was easy to say, "There must be a better way".

I had a full sample of public opinion a few hours later in Vancouver on Pat Burns' hot line program. It is an excellent forum. A variety of feelings are expressed and, if I may make an observation about western feelings, they seem to be stronger even than those in my own constituency. Perhaps it is the depressing climate in Vancouver, Mr.