

the time that I have been in this House. They brought in a wage and price proposal. We campaigned on that subject. Their program was very different from what we advocated during the 1974 election campaign. They wasted the opportunity to impose restrictions upon themselves.

I should like, Mr. Speaker, to come back to the few thoughts I shared with you on the evening of my maiden speech in this House. At that time I said that the constituents of Pembina had some deep feelings about the governing of their country. I refer to these portions of my speech because one cannot help but be saddened by the way this government has manoeuvred our economy, the moral issues of the day and the national unity debate.

We as parliamentarians have to be conscious of the trust placed in us by our constituents. When we review the leadership this government has offered the Canadian people we find it has been lacking in the three areas I mentioned.

The leadership of this government has not offered any inspiration or courage to the Canadian people. It is still labouring under the delusion that it is possible for a country to spend its way out of inflation. It has not grasped the simple fact that such a policy could only lead to more price increases, more wage demands, more inflation and more unemployment.

Not so long ago, Canada was a nation of people proud of their heritage, confident in their capabilities and purpose and sure of their direction and destiny in world affairs. This confidence and purpose was the cement which held together our federation of widely scattered provinces and racial groupings.

Today, this spirit of national unity and purpose has given way to doubts, fears and uncertainties in every province. Some 30 years ago there were few Canadians who were not convinced that Canada had the capacity, the resources and the will to survive as a strong and independent North American nation. Any suggestions of separation or joining with the United States were ridiculed. Indeed, the Americans supposedly envied the strength of our judicial structure, the soundness of our banking system and economic policies, the integrity and reputation of our police forces, our stability and respect for law and order. Our educational standards were matters of great pride.

In the span of only a few years much of this solid structure has crumbled into decay. We are now groping blindly and wondering just what has happened so suddenly. We are weary of inflation, bureaucracy, political scandals and the false promises of this government. We are tired of this shop-worn government which no longer commands respect.

Canadians today are asking where the answers are, Mr. Speaker. Is a cure possible or must we in sheer stupidity, while having a country rich in resources of all kinds, simply continue down the road to an ultimate bust before we learn a few simple lessons? Past records would indicate that on our present course only a near miracle can save us from a major collapse or some ultimate form of totalitarianism.

Finance

The solution does not lie in some magic or secret formula. Nor is our situation entirely hopeless. The road to recovery in fact is really very clear, but nobody wishes to face facts as the path is painful and heavy going. Certainly the distance cannot be covered carrying ever-increasing burdens of unpaid debts, too high a standard of living, increasing social payments, shorter work weeks and increased minimum wage levels.

But speaking of miracles, what sort of miracle do we need now? In Germany in the 1950's, Dr. Erhard was able within a decade to multiply its industrial potential six times, treble its social services and increase its exports to put it in third position in world trade.

While the success of one country does not necessarily have a direct relationship to experiences elsewhere, as Dr. Erhard pointed out, the fundamental policies he adopted then could be studied with benefit in Ottawa today. As he wrote some years later, he was determined not to countenance any further price increases without keeping the public fully informed about the causes and effects of such harmful moves. He said an end must be put to the absurd game of wage increases following rises in prices, and price increases following rises in pay. A stage must be reached when individual sections are ashamed to put forward demands that are contrary to the welfare of the community as a whole.

The false ideas about distribution of incomes he rejected entirely and held that competition was the only means to secure prosperity. His own experience in Germany, he held, was clear documentary evidence that only by firmly rejecting socialist dogma and affirming a free economic order can prosperity and security be achieved.

If a nation fails to face facts and tries to buy more time with controls and a planned economy, he argued, it can only lead to greater bureaucracy, government interference and ultimate totalitarianism. The undisputed success of his policies demonstrated how much more sensible it was to concentrate all available energies on increasing the nation's wealth rather than to squabble over the distribution of the wealth.

Dr. Erhard suggested at that time what I suggest now for Canada. Solutions to Canada's current economic problems cannot be found in still more spending and more borrowing for social services and less individual incentive. If we try to solve long-term unemployment through more welfare, it will simply snare another generation into becoming wards of the Crown. Similarly, our problems will not be resolved outside the country; the essential job is internal. The unity of Canada can never be secured with a sick economy. Miracles can only be achieved when the will of the people can be roused by an inspired leadership.

When speaking of leadership it is interesting to note the stand the Prime Minister has taken and the stand the Leader of the Opposition has taken.

Mr. Benjamin: Horizontal.