

Anti-Inflation Act

average rate to be expected, the cost would be only half of what it is. All this information has been available for 20 or 30 years, yet parliament goes on and talks about economics, political science. Be cool, they say, and things will be all right.

I belonged to a group of people 30 years ago who put forward a proposal to try to inject a positive incentive into these programs in order to save the social services by delivering them at minimal cost. The services need an individual incentive so that the person who does not abuse them is rewarded for not doing so. Without saying any more about it, let this parliament start getting costs down for the delivery of this fantastic new social revolution in this country. We can well afford them if we get down to paying for what we should be paying for.

I turn now to the money supply. It is very clear that the monetarists, whether it be rightwingers like Friedman or quasi-intellectual leftwingers like Galbraith, are away off in out-field some place. I have a quotation here from an article in *Forbes Magazine* of last November—the same day as the Quebec election, November 15. It says: "Memo to President Carter: Inflation is now too serious a matter to leave to the economists." If that article had been written 30 years ago we could have made progress by now. The article says:

Inflation is not—a Maynard Keynes thought and Milton Friedman thinks—a simple matter with social consequences. It is an infinitely complicated business with social causes.

In the great social revolution which is taking place today, there are social forces which cannot be stopped. Who would want to stop the agrarian revolution of the 12th century, with all the increased food it meant to mankind? Who would want to stop the banking revolution of the 17th century with all the great good it did for all the nations on both sides of the Atlantic? Who would want to stop the industrial revolution, with all its high prices and unemployment in the beginning, because it brought so much good to so many millions of people around the world? Nor should we think of stopping this social revolution. That is the crux of my pitch, Mr. Speaker. We have to quit depending on these so-called experts, mostly economists, whose economic theories were obsolete when they were born and are completely suicidal today. This government has to get on with the task.

I want to conclude on this final point about the economists. The exchange value of the dollar is directly related to inflation. But what have we heard from the government? In the words of the Leader of the Opposition (Mr. Clark) today; nothing. What about interest rates? Today when you buy a house for \$50,000 at 12 per cent over 30 years you pay \$202,000 for that home. The sum of \$152,000 goes into interest. The same figure of 75 per cent of the cost applies in the case of a big oil sands plant in Alberta. Yet these economists continue telling the government it must keep the interest rates high so the people won't spend. How silly, and how wrong they are!

Let us consider living costs around our cities. Can one blame the working man? Twenty years ago a house could be bought in Toronto for \$17,000. That home today, with land costs having soared, and construction costs having soared in the last

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

four years, is now worth \$65,000 or \$75,000. That is a fantastic increase. The problem of land costs around our cities is not an insoluble one, yet the government has done nothing about it.

The Minister of Labour spoke here today about labour confrontation with management. How many hundreds of millions of dollars have the people lost on the working side, on the owners' side and, particularly, on the consumers' side because we have been using obsolete methods of labour-management negotiation? It isn't hopeless, Mr. Speaker. As I have said before, a group of Conservatives went out to the West Coast two years ago and met with labour. We met with management, and on the third day we met with the owners. And today that industry is moving grain to the hungry people of the world and has a no-strike pledge indefinitely because it is based on productivity and because the contract is based on pension portability. That is all it took to give us a no-strike pledge in that industry.

Consider the contract of the miners with Cyprus Anvil in the Yukon. I could cite examples from all across this country. But this is a case where some politicians went out and sat down with labour. They sat down with management and with the owners and came up with a no-strike pledge indefinitely for the movement of food in this country from the West Coast. What the Minister of Labour was talking about this afternoon should have been done 30 years ago. This last two years there has been no action—just talk. Somebody has to face up to these things.

I think that all of these things—cost of government, money supply, exchange value of our dollar, interest rates, land costs around our cities, labour-management confrontation—carry a positive answer. The answer is yes to each one of them—we can do something about them, if we have the will and use basic common sense. But the government does nothing on these economic issues. Faced as we are with a social revolution around the world, our government does nothing. It is too important to leave to the economists. So as we move toward the new economies there are signs of hope.

I now read from an article in the *Wall Street Journal* of May 9, entitled "Toward a 'New' Economics?" The article mentions that there is a move toward the conservative approach—old-fashioned truths to get at these problems. It mentions the name of a Republican from New York State, speaking in the house. So I got a copy of some of his speeches. Here is a man, Mr. Jack Kemp, saying the same thing in the Congress of the United States as the hon. member for Don Valley and myself have been trying to say around here for the last two or three years. We, of course, have good reason to speak loudly of these new economies because the father of them is a Canadian. We never hear of him in Canada, but his name is Mundell. His American partner is Laffer and, naturally, Mr. Kemp talks about Laffer all the time. But we talk about the father of the idea, Mr. Mundell.

All the subjects I have been reviewing here tonight are mentioned in Mr. Kemp's speeches. A few months ago he was able to get 30 members of the Republican caucus to back him