

tric society, and the statement made by the hon. member for Provencher yesterday should strike home to all of us that passing this bill, or not passing it, is not just a routine of this parliament; we are nailing a major nail into the bodies of our sons, grandsons and great-grandsons by loading this debt on them without sufficient examination of what went wrong with our financing.

There is no question that because of the costs, legitimate and otherwise of this social revolution, we and other nations have forced on our countries a cost-push type of inflation. It is not a demand-pull type where people are asking for more goods than we can produce; it is a cost-push type of inflation almost entirely.

As has been stated in this House on many occasions, and as almost everyone agrees, the first villain in that cost-push inflation is the cost of government, forcing up taxes, forcing up prices and reducing the living standard of our people. Rather than force prices up any faster or force taxes up any faster, we immediately pass it all over to the next generation.

The second villain in the piece is the misuse of our money supply over the last 25 years. That did not start with this government; it started with a group of nitwits who accepted the philosophy that all our problems could be resolved by pouring money into circulation or withdrawing it from circulation. There was a lot of good in this monetary theory, but it does not solve our problems. This distribution of the money supply has to be put down as the No. 2 villain of the piece.

• (1542)

The third villain of the piece is interest rates. Almost everything one looks at today is capital intensive. Almost every project, no matter whether it is a big pipeline or the building of a building, it is capital intensive. In a capital intensive world of high technology we have interest rates over and over again being 75 per cent of the cost of anything we do. When a person of normal means tries to buy a home in our cities today that person will find he has to take out a mortgage of \$50,000 to finance an ordinary \$75,000 home, because that is the ordinary price today. Over a 30-year mortgage that person pays four times the cost of his home, 75 per cent of it in interest. That is how the arithmetic works out. The precise figures I have put on the record many times. This same analogy respecting home ownership applies equally to every large enterprise. For example, the cost of extracting oil from the big oil sands project in Alberta means 75 per cent interest in the way it is being financed. Interest costs are a large component of the cost-push inflation. We have sat here in parliament, and as well during the summer when we were away, and watched interest rates being raised a total of five times this year.

You understand why I have to use the word "nitwits", Mr. Speaker, to describe this type of madness. Here we are cursed and burdened with interest taking up three-quarters of the cost of capital intensive enterprise, and we have a government following the practice of an equal group of nitwits in the United States, because if they raise interest rates, we raise

them. I would like to spend more time on that subject but that is not the main purpose of my speaking today.

The fourth item on my list is the land cost near our cities. If we look at the experience in Europe in the last century, and now North America in the last ten years, we see the sudden escalation of land costs around our cities which shows where the large costs of inflation are coming from. Frankly, I put it fourth on the list.

Fifth, what we have witnessed in this House this last two weeks is the heavy, heavy cost on everybody of the labour-management confrontations. Because we refuse, as union leaders, and we refuse, as businessmen, and we refuse, as governments, to face the fact that this ritual rhumba of a so-called collective bargaining procedure has developed into a professional "Maintain the battle", we see businessmen paying huge sums of money to hire the brightest young fellows they can get to take on personnel management. We find labour unions buying the ablest people they can to be the other part of the equation. As long as these people can keep a fight going, the more money they make. This ritualistic rhumba, as I call it, of obsolete techniques of labour-management is costing this country heavily, and the workers are the chief sufferers.

We have witnessed, as a result of what we have been forced to do in the last two weeks of parliament, this institution being made into a court of decision when it should not be, except in grave, grave emergencies.

The sixth item on my list is the misuse of the floating dollar. The floating dollar makes it possible for any government to resolve its own inflation at home. But when there is a pegged dollar we become part of worldwide inflation. The minute currency runs free, the domestic fiscal policy can cope with inflation. It is on that last point that I want to extend a little bit with general remarks.

In Canada today we are witnessing a ten-year phenomenon. It started under the late Lester Pearson, rushing into social programs without considering all the things that could have been done to deliver those services that we all want in a way that was prudent.

I recall the setting up of the Hall commission on medical matters and saying to Mr. Justice Hall via the terms of reference, "Look at what happened in Russia, in Sweden, in China, in Europe, in fact all over the world, and bring back a way of having medicare in Canada so that we avoid the mistakes made in the United Kingdom after 1945; and the mistakes made in Saskatchewan in 1946 and 1960." "Let us have social medicine but let us not do it in such a way that you set up a system that destroys itself with abuses."

Over half the costs in the systems are nothing but abuses. Every one of us here knows that to be true. We went hog-wild in pushing these programs under the present administration. Now we sit and look at them. After doing these things to us all in the name of carrying out a social revolution, we see a government sitting there, frantic and frozen at the same time, with fear of being defeated at the next election. It is too fat to