

single people and \$5,000 for a married person and to fill the gap between personal income and guaranteed annual income by means of corresponding allowances.

Another measure which is easily applicable would consist in bringing old age security pension payments up to \$200 a month for all citizens who are 60, while giving \$150 a month to the spouse of a retired person. It would increase the purchasing power of consumers, stimulate production and put up a barrier against unemployment.

Finally, according to Creditist proposals, one should secure a decent family income. This measure could take the form of higher family allowances which are geared to prices.

"Every tax reform which does not take the price problem into consideration will end up in failure" Major Douglas tells us. That is easy to understand. Our friends of the other parties of the opposition often speak of inflation. We recognize that it may constitute a real danger, under our present system, but we deny that it would really be dangerous under a Cr ditiste system, applied in its integrity, as we suggest it.

Indeed, why should the monetary units in the hands of the consumers be increased if, at the same time, the price of goods keeps going up at the same rate?

That is why, under our present economic system, any increase in the personal income which is included in the cost of the goods that are manufactured and sold can only be reflected in higher prices.

Whether it be an increase in the profits of the contractor, the rates of interest, salaries, or taxes, they all lead to higher total costs and higher consumer prices.

That is why the Cr ditistes suggest a way to adjust prices which would leave the producers free to set their prices at a reasonable level. We say that the producers must continue to produce goods and riches on his own terms for the other members of the community. However, it is not up to him to set the conditions under which the consumers will obtain the products. In other words, the producer must be paid according to his sales price, but he does not care whether the money he claims or he receives comes from the buyers of his products or whether part of his sales money comes under the form of new credits issued by an agency certified for that purpose.

This price adjustment could be made, every year, every six months or every three months. It would be similar to what is called a discount, which would be the opposite of a sales tax.

This compensated discount would be paid to the retailer through an issue of credit equivalent to the total of bills showing that a similar discount was granted to the consumers. That is how producers would be paid according to their own sales price, whereas consumers could obtain the whole production while paying only a fraction of the prices appearing on the tags.

How would this discount rate be calculated? It would be calculated according to the lack of purchasing power, taken as a whole, after deduction of the amounts paid in social allowances that would not result from taxes, as well as the amounts paid as social dividends.

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Let us suppose, for example, that the total price of the goods offered amount to \$80 billion and that during a given period, Canadians have only bought \$60 million worth of products; then, the National Credit Office would decide for the next production period a discount of 25 per cent.

That price adjustment technique would work automatically, according to the calculations of the accountants of Statistics Canada and of the National Credit Office, somewhat like a thermostat in a heating system. Therefore, we would automatically avoid inflation and deflation.

No doubt these measures would have some negative effects, such as cutting out financial dictatorship, wording off infringement on the producers' rights to private property, eliminating the dangers of social upheaval and quelling feelings of revolt among people.

However, the positive sides would be much more important: applying the Social Credit measures would cause goods to meet the citizens' needs and to pass from the producers' firms to the consumers' households. This would allow the economy to achieve its goal, which is to meet the needs of the human beings. This would be something new and unprecedented in this world.

[English]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, when the hon. member for Ottawa-Carleton (Mr. Turner) made his first speech as Minister of Finance in February, 1972, he said:

Our most urgent and pressing task is to bring about a substantial reduction in the level of unemployment. Our objective must be the provision of a job to every Canadian who is seeking work.

When the Minister of Finance made that speech in February he had before him the unemployment figures for the month of January, 1972, which showed that the rate of unemployment was 6.2 per cent, seasonally adjusted. In May the minister presented a budget which he called an expansionary budget, a budget which he predicted, because of the concessions he was proposing to industry by way of lower corporation taxes, fast write-offs in respect of the purchase of machinery, and so on, would produce a large number of jobs and reduce the number of unemployed.

For more than three years unemployment had hovered at 6 per cent or more of the labour force, on a seasonally adjusted basis. I said then that the minister was a bad predictor, that the advice he was getting from senior officials of the Department of Finance and the Bank of Canada was the wrong kind of advice, and that he would not succeed in his stated objective of reducing the number of unemployed.

The record is clear, Mr. Speaker. For the month of January, 1973, the rate of unemployment was precisely what it was for January, 1972—6.2 per cent of the labour force, on a seasonally adjusted basis. In the Atlantic provinces the number of unemployed was higher in January of this year than in January of last year. There were more people unemployed in Quebec this year than last year; there were more people unemployed on the Prairies and in British Columbia. The only province which showed a decrease was Ontario.