

Anti-Inflation Act

complex system of production, can view it as our real credit.

Unfortunately, we cannot produce at full capacity because of the credit formation monopoly held by the banks. The real credit must be "monetized", so the people can reap now the benefits of their inheritance. It must achieve the growth needed to produce the maximum amount of goods and services required.

The instrument capable of monetizing our real credit is the people's bank, that is, the Bank of Canada.

Money worth reflects the amount of goods and services that can be obtained in exchange for it. To restore its worth, we must increase the amount of goods and services to be obtained for each monetary unit. To be fair, we must at this stage establish a system that we call social credit, the compensated discount system or national discount. Its implementation requires:

(1) That the government first require all retailers of consumer goods, including publicly owned corporations supplying retail goods to the public, to register with the retailer registry agency.

(2) To register, the main condition for retailers would be to commit themselves to limiting their profits, say to 15 per cent of their business turnover, whatever the capital invested.

(3) All registered retailers would have to make up bills, at least in duplicate, for any sales over \$1.

(4) The total shown on the bill would be submitted to a discount, say of 20 per cent, which would be clearly indicated on the bill.

(5) A copy of these bills would be given to the retailer's bank which would credit him with an amount equal to the discount given and shown on the bills.

(6) The banks would be periodically reimbursed by the Bank of Canada which would issue the credits required. I should add here that this would create new credits which would not come from taxes. It is important to emphasize this, Mr. Speaker.

It will have been noted, Mr. Speaker, that this way to fight against inflation is the opposite of what has been described and what we have seen in the white paper given on Monday night on television by the Prime Minister (Mr. Trudeau) and tabled in the House on the next day, Tuesday, October 14. Of course, the figures that I have quoted are only illustrations. The discount rate could be reviewed every three or six months and a new discount could be announced for the following period. In several provinces, sales taxes are administered as the national discount would be. Instead of adding a tax on the bill, we would rather grant a discount. The commercial banks would be refunded for the work burdening them. What would be the outcome?

With a discount of say 20 per cent, each \$1 item would cost only 80 cents, which would increase the value of money. More retail sales would be felt by wholesalers and subsequently by manufacturers.

The latter would be led to boost their production, expand their plants and hire more workers. The national discount would add to the purchasing power of consumers without inflating wages and consequently prices.

[Mr. Laprise.]

Except at the level of the retailer where the discount would be applied, nothing would be altered in the present system and thus no confusion would be created in the production system.

Even if the registration of retailers would remain voluntary, a real penalty could be imposed on those who refuse to take part in the program because of their prices higher than the registered prices, they would have more difficulty to support competition.

Some penalties for fraud or offences could be imposed, such as suspension from the list of registered businesses. Monopolies as well as nationalized retail sale enterprises will have to be incorporated into this plan.

Credits created in the name of the people by the Bank of Canada will constitute only bookkeeping entries. There will no longer be any need to print more bank notes than at present, the only difference will be in increased value of each monetary unit, which will permit the purchase of more goods.

We, the public, would stand to gain a higher purchasing power, retailers would also profit through increased sales while wholesalers and manufacturers would see their volume of orders grow. The whole country would benefit from an adjusted currency that would maintain a stable value and a constant purchasing power.

Strikes started to get nominal wage increases would be less defensible than today. Men and women engaged in production would soon realize that by improving their output and eliminating waste, they would be allowed greater discounts. Employers and employees would work with the same end in view.

Savings would retain their value and money saved for future purchases would buy goods and services of the same value. Credit sales with their high interest rates would gradually disappear. Sales taxes would finally be abolished.

As I said the figures given are only examples. The allowed profit and the discount rate could be higher. It would be up to the government to decide whether any such imported finished product could be subject to the discount. The problem of dumping from countries where wages are lower could be solved in this way.

● (1530)

Mr. Speaker, with a prosperous industry, an export trade profitable to our plants could operate at full capacity. That is a program which is completely in opposition with what the government is offering us. The government has been falling back in the same ditch for a number of decades. We always end up with the same results. That is why, as members of the Social Credit Party, we urge the government to take other steps, to try something new. The action it is taking now has already failed elsewhere.

Then, why not try a different approach, a different way to operate? Why try to aggravate everybody with all sorts of controls? The compensated or national discount plan I talked about a while ago would not require any supervision. People would understand and accept it. But the so-called "voluntary" restraint program which the government is trying to impose will necessitate the hiring of an army of additional bureaucrats to visit the 1,500 corpora-