

*Anti-Inflation Act*

prices is advisable as we know it is the only means to increase the purchasing power without increasing prices. Unfortunately, this government cut off those efficient subsidies against price increases. But the money now earned by workers in the industry will be spent tomorrow and will leave behind a series of costs which will be felt on the market when people can no longer afford to pay them. The approach chosen by the government does not solve the basic problem, it only delays the inevitable confrontation. And when you delay the time of fighting, it is not a cat you face in the end, but a tiger.

In the present circumstances, it is absolute nonsense to claim that by increasing production we will be able to reduce inflation. This idea has been proven false many times but it is always the last resort of those who cannot understand that our major economic problem is not production, but consuming and distribution. The events we see unfolding before our eyes today are very similar to those of the crisis of the thirties. At that time, surpluses of produce were destroyed, while people were in need of them. We must not produce more eggs in Canada. However, we must see to the distribution of eggs already produced. One year ago, a beef shortage was anticipated, but the picture has changed completely; our beef producers anticipate large surpluses and are developing plans aimed at convincing Canadians to eat more beef.

If there truly are shortages of several products, it is because of problems which did not exist in a healthy monetary system. We have only to recall the famous paper shortage of recent date. Can someone seriously suggest that we have exhausted our forest resources in Canada? No. The shortages are caused by strikes, price inflation and a general economic slowdown. Canada has so much resources that it is nearly unbelievable and, if they are well used, our natural resources and technical capacities can easily meet the material needs of the whole population and even of a much greater population than the present one.

Some people will probably say that the financing of lower prices is another daydream of the Social Crediters, another instance of funny money. Unfortunately for the critics, the federal government has shown the practical and effective nature of this suggestion. Some will say that it is not an orthodox approach to the situation. But since economic orthodoxy created the present problem, it is obvious that we need new ideas. Moreover, in the last 50 years, some professional economists have been great exponents of consumer subsidies through price reductions, and in this regard, I can mention Mr. R. R. Irvine, professor of economics at Sydney University, in Australia, during the crisis in the thirties. Another economist, Mr. J. E. Meade, has written a book entitled *Consumers' Credits and Unemployment*, published by the Oxford University Press, in which he states his belief—

He has also written:

● (1650)

*[English]*

This is a subject which has been strangely neglected by professional economists... The subsidization of consumption at certain times and in certain conditions is perfectly sensible. At the risk of being numbered among "the [Mr. Allard.]

monetary cranks" I submit this book to all who are interested in social and economic problems to persuade them that this is an important method of maintaining prosperity, to my professional colleagues to convince them that they should take the subject much more seriously—

*[Translation]*

Also, Mr. Speaker, a Mr. Vincent Bladen, currently professor of political economy at the Toronto University, insisted recently on the fact that new measures are necessary to fight inflation. His remarks are reported in last year's March-April issue of *The Canadian Chartered Accountant*.

*[English]*

Action is urgently needed. I suggest the government hold down prices by subsidy rather than by ceiling.

*[Translation]*

And the administrative method he has suggested consists in a negative tax which is applied at the retail level.

Mr. Speaker, we, as members of the Social Credit Party, have been striving for many years for the establishment of the guaranteed annual income. I should like to quote a few remarks from Mr. Erich Fromm:

The guaranteed income, which has become possible in these times of economic wealth, could for the first time liberate mankind from the threat of famine and in a way make it free and independent from any economic threat. Nobody would be forced to accept intolerable working conditions simply because he is afraid of starving to death; a talented or ambitious man or woman could increase his or her qualifications and undergo retraining to take up another kind of job.

The shift from a psychology of scarcity to a psychology of abundance is one of the most important in the history of human development. A psychology of scarcity generates anxiety, envy, selfishness (that can be seen particularly in primitive cultures throughout the world). A psychology of abundance generates initiative, faith in life and solidarity.

Economic abundance and relief from the fear of starvation will mark the transition from a pre-human to a truly human society.

There it is, Mr. Speaker, as I suggested earlier and have been doing so for many years, I think that the present economy of this country or at least the natural resources of this country allow the government to act and finally decide to give every citizen the guaranteed annual income, an income that would allow him to live beyond the poverty line. I read recently either in a newspaper or a magazine that there are now over half a million workers—workers, not unemployed—who find it absolutely impossible to secure the vital minimum to their subsistence. So, Mr. Speaker, in a country such as ours, with incredible abundance, I ask what is stopping the government from acting and providing each and every citizen of this country with decent and fair comfort in view of the unlimited abundance.

Since the prime purpose of the creation of the Anti-Inflation Board was to control and destroy inflation—which it lamentably failed to do, having overrun the bridge—and since those effects are nil and the board only prevented small wage earners from going up in the wage ladder and allow poor people to breathe, I think that board has no more *raison d'être*. That is why we of the Social Credit Party are going to support the motion calling for its abolition.