

regulating mechanism to give the consumers who need it an additional purchasing power without involving any increase in wages and prices. This is by way of a discount.

Yesterday during the question period I was listening to the right hon. Prime Minister's answer to a member from the opposition to the effect that the purchasing power of Canadians should be increased in order to spur the consumption of goods produced in this country, to stimulate the economy and help in solving the unemployment problem.

Mr. Speaker, the Prime Minister was right. We have told him so for a long time, but it must also be understood that this increase in the purchasing power must take place at the level of those families who have a real need for it. The compensated discount, the type of discount which we recommend in this bill, is a means with which to reach that objective, because when a family buys five pounds of butter, five quarts of milk or a pair of shoes or some clothing made in Canada, by consuming these goods, this family will automatically benefit from a discount, therefore an increase in its purchasing power and this discount, according to this bill, will have to be set at the dealer's level, because it is at that stage that one can truly evaluate the needs of families and individuals. And if there is consumption, there will automatically be a discount, but the question lies as to who is going to pay back that discount to the dealer. Is the dealer to lose because he grants a discount to the consumer who has just bought a pair of shoes in his store? Absolutely not. It is where this bill provides a whole mechanism for the creation of a national credit board which would be responsible for the management and the implementation at the consumer's level of this measure which will enable Canadians to increase their purchasing power inasmuch as there are needs to be satisfied, and periodically—it may take one or two months—those merchants or dealers could present before the banks or the credit unions, on an official and well established formula and along with any necessary justifications, the amount of discount which they would have granted after a period of a month or some three months, as will have been stipulated by the national credit board. The banks or credit unions having served as go-between for the government, the Department of Finance and the dealers, through the Bank of Canada, following well established official figures, the government will be able to create new estimates in order to reimburse the credit unions and the chartered banks which, following a well established type of accounting, would have paid out in compensation to the dealers those amounts which the dealers would have granted to the consumers. This is what is called, Mr. Speaker, a regulatory discount. In the same way, as some hon. members have seen a steam engine work, as for instance, in a sawmill, and incidentally there are still a few left in our country just like in my own riding, which used to be called steam engines and that is the same thing.

• (1722)

And that machine is equipped with a system called a regulator. The regulator drives the circular saw. When a big log is going through the saw, more power is needed. Then the regulator provides more power to allow the saw to split the log.

Inflation

Once the job is done, the regulator gets back to providing the usual amount of power since no extra power is needed anymore. Mr. Speaker, our economic system works the same way: the principle of the regulator is applied in the form that we advocate here, a discount system. Should the House accept the bill, study it thoroughly, refer it to a committee for examination, that would call for economists to appear before it—not the ones who have put us up to our ears in trouble—but economists with an open mind for new formulas that would enable the government to come up with a legislation that would pull us out of the chaos we are in and of this misery which is totally unjustified in times of abundance.

Mr. Speaker, we are going in the same direction as we did after World War I; the older members must remember that. Last Sunday the CBC French network gave the history of the years 1920 to 1945. I wish all Canadians had listened to that program because the young would have learned that history repeats itself.

After World War I, because of the war effort and the production of war commodities, the government had to boost the money supply. Prices for everything had increased and consumer goods were more expensive. After the war, we had an inflation period, prices were very high and people borrowed money believing that the situation would last. But thereafter we had the 1929 crash. Investors were so panic-stricken that they refused to invest and that was the beginning of the depression, as that period was called. After inflation it is deflation. From 1930 to 1939, all governments, whatever the party, resorted to many measures; back to the land, workers earning 20 cents in Valcartier, all sorts of plans, band-aid programs to lure people and save the system which did not meet people's needs at that time.

And in 1939 the war broke out as had been predicted by Major Douglas here in Ottawa when he appeared before the finance and commerce committee at the government's request. On that occasion he had stated, and that was proven, that if they did not change the way to finance the public sector, we would have within ten years at most another world-wide war. Unfortunately, those predictions became true. In the first years of the war, we saw the government appealing to patriotism, to all those who starved in poverty in the years of plenty. They urged them to become patriots, to save a system which maintained them in poverty, a system which again is dragging all Canadians down to the most unqualified poverty.

It is precisely to save a sick capitalist system which must be reformed—and that will never be said often enough because it needs to be reformed—and it is to help the government reform that system before it is too late.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but his time is up.

Mr. Pierre Bussières (Portneuf): Mr. Speaker, I am very pleased that the hon. member for Bellechasse should have introduced Bill C-205 which provides for new and imaginative measures to urgently correct the economic difficulties we are experiencing. This bill is very interesting, especially because