

The manufacturers, Mr. Speaker, are bound by the obligation to take out of the wallets of the consumers more money than they have distributed in the course of production.

Even if he were an angel, even if he abstained from food and gave up his profits, the manufacturer will always have to squeeze, through the prices, out of the public the money he has to return to the bankers and also the interest of that money.

If the Prices and Incomes Commission or the manufacturers who had a meeting do not know that, they would do better to go back to school and to study hard. If they did not find that in their political economy books, they would better throw them into the dustbin, because such books are incomplete or simply misleading.

Rising costs should be checked in order to allow consumers to meet their needs with the goods offered them in large quantities. But how? Through price controls set by some control boards? We have found that prices depend on costs. They are not decided by orders in council nor are they subject to a bureaucracy of inspectors.

Prices are set according to cost accounting and the government or the boards or the bureaucrats cannot distort it nor force the producer to ignore his own costs when marking his goods.

What must we do against rising costs? If the other political parties have solutions to suggest, let their members tell us about them. We shall analyze them and, should they prove effective, support them.

But as they have no solution to offer, let them accept the one proposed by the Créditistes, namely, the setting of the adjusted price, the compensated price, the fair price. What is the fair price of an item? It is exactly what it costs to produce it. The actual cost of production is the cost of materials used, of labor, of the wear and tear of equipment, of food consumption and wear and tear of clothing worn by technicians and workers who contributed in any degree to the desired production.

The use of materials and the consumption of food in connection with the manufacturing of a table, for instance, will constitute the actual cost of the latter. As regards production, financial cost should also be taken into account. This cost is never passed down to the consumer but is included in the price of the finished product.

The only thing that remains to do is to allow the consumer to buy the production at

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its actual cost by making a price adjustment. If such statistics were established in Canada, it would soon be seen that the total price charged for the country's production, over a certain period, exceeds the total amount of consumption during the same period.

It would be seen, for example, that when consumption reaches \$50 billion, production offered to consumers, i.e. the total of prices to consumers, reaches \$60 billion. In order for consumers to purchase the total production, they would have to purchase \$60 billion worth of production for \$50 billion.

The proper solution would therefore be a \$10 billion discount which would permit consumers to purchase the \$60 billion worth of products for \$50 billion. Who would be the loser? Nobody. If someone sells a \$60 item for \$50, he should receive a 10 per cent discount.

Where would this discount come from? From the nation's credit, from the Bank of Canada, the financial institution which belongs to the Canadian people and that the government can use. That form of credit is based on production which, when made equal to the purchasing power, could be sold. That is unlike the endless refrains or patter that we have heard so far in this debate. The Minister of Finance claims indeed that productivity must be increased, whereas another minister suggests that production must be cut down to fight inflation.

There is only one way to solve the problem of the high cost of living and high prices: the compensated discount of Social Credit. Otherwise, you have nothing but floundering, clashes, wrongdoings and big failures.

● (4:40 p.m.)

Mr. Speaker, a while ago the Minister of Finance (Mr. Benson) spoke of balance between inflation and recession. We must avoid recession and fight inflation.

Indeed, we are lost in a system where inflation does affect prices. However, recession also affects the Canadian taxpayers.

An editorial, broadcast over a Quebec television station last January 7, dealt with the renowned economists Keynes and Friedman. Keynes is the favorite economist of the Minister of Finance and those who have studied political economy. Here is what the editorial said:

For over 20 years now, most of the western countries have substantially followed the economic and fiscal theories of one John Maynard Keynes, a famous English economist.

He was a success in England.