

problem and blames the government for ignoring the concrete proposals of the Social Credit Party for eliminating the unjustified increase in the cost of living; in particular the proposition according all Canadian consumers, a compensated price on all Canadian food produce.

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, our administrators, as we have noted today, are really suffering from the inflationary fever which they have contributed to induce and maintain without making any serious effort to improve the situation. Our experts or those who believe they are try to create the impression that they hope to find remedies to the ailments gnawing at society. The facts are so obvious that they cannot deny the existence of an economic discomfort. However, the results of their research prove that there are too many physicians attending the patient. Already a great number of them admit that they are unable to find solutions. They try to convince the people that it is an international malaise. It is easy to say so, but it is far from being a solution.

It will be easily recalled that we have known depression and regression periods, expressions already used by the representatives of the various governments either during or after the 1929-1939 economic crisis. At that time all kinds of goods were available in great quantity. What they lacked was money. The producing system works generally fairly well. The proof is that there are always a good number of unemployed who represent production that is not taking place, yet there is no shortage of goods to guarantee food, clothing and housing to Canadians. It is the distribution system which is not working or which is working in reverse.

● (2010)

To try to explain the cause of this bad situation, our politicians use inflation as a screen for their administrative blunders. We seem to be completely in the dark. Are wage hikes a cause or an effect of inflation? Are stiffer interest rates a consequence of inflation or not? I believe that the unions are justified in requesting salary adjustments because of the continuing increase in the cost of living, but we must admit that if we consider future prices, salary increases will bring about higher production costs and accelerate the inflationary process in the present system.

Higher interest rates have exactly the same effects. They breed price increases and contribute to inflation. The present financial system has left us obnoxious twins: inflation and unemployment.

When we speak of inflation in political economics, there are two things which expand and build-up: first, prices, second, wages. This reduces the value of savings. Prices increase when products are rare and there is too much purchasing power.

However, when wages increase, prices also increase. This is a vicious circle which, under the present administration, approaches perpetual motion, and it is called inflation.

I believe that in general, Canadians do their duty, but unfortunately, those in control do not always do theirs. They must produce the purchasing power required to allow Canadians to buy what they produce.

Inflation

The financial system should relate to the realities of production and needs. Money should originate in wealth and go where it is needed. This is clear enough. Finance should be submitted to production, and production should be submitted to man. I believe that we will find the answer to the problems of inflation if we take the trouble to look for them.

I know that this answer, or that which can be suggested, is not always in accordance with the theories of certain economists who recommend restrictions, while we recommend an increase in the purchasing power. Still, we believe our solution is more realistic.

Newspapers now talk about inflation. Most economists threaten us with inflation, financiers speak of inflation as if it were a contagious disease, it now haunts our economic life.

That is why the time has come for the people to head towards solutions. By observing its causes, we will find the remedy; instead of speaking incessantly of inflation, we should start getting used to speaking of distribution.

Let us have a look at what happens when the consumer sees prices go up by 10 per cent and sometimes more in a year. Concerned, he turns to his storekeeper who, shrugging his shoulders, turns to his supplier, who points to the producer, who shows empty warehouses which proclaim a shortage. All those agents having seemingly justified themselves, the consumer, in despair, turns to the one who is responsible for the commonweal, the regulating agent of all social mechanisms, the political authority.

Municipal authorities being already too absorbed in facilitating the inflationary activities of real estate speculators and developers to be concerned about the ravages of inflation, the consumer wastes no time and turns instead to his provincial government which throws up its arms in a gesture of helplessness but, still nods in the directing of the federal government which in turn claims to be unable to cure a disease it considers international in origin. 'Tis easy to say' but, as I said before, 'tis no solution'.

In the face of what he believes to be a natural cataclysm over which no one has any control, the consumer then decides it's every man for himself.

Let us see what happens. He urges his union to request wages to be geared to the increase in the cost of living. Then every businessman, supplier and producer, even those who have few employees or whose employees do not belong to a union and are constantly underpaid, will make a pretext of those salary claims to further boost the cost of their products and services, but at a rate which is often higher than salary claims.

This hard pressed consumer, feeling that any way his purchasing power just evaporates like maple water, frantically invests his depreciated dollar in consumer goods, thinking to himself that they will be out of the reach of inflation once he owns them.

And the circle becomes more and more vicious: the higher prices go, the more people buy. And since the more you get the more you want, those who derive excessive profits from inflation will put the finishing touch to its spiral by saying from time to time with a heartbroken face: "Food products, services, and real estate costs might