

*Inflation*

To meet increasing prices, the purchasing power must also be increased without, however, lowering prices. More money must first be distributed to the consumers.

Now, it is realized that the system only distributes money for participation in production, such as the payment of salaries to employees or dividends to shareholders. So all this money is included in prices.

The accounting of the current monetary system is actually wrong. Only an honest accounting would bring inflation under control without interfering with the legitimate interests of the people. Madam Speaker, an honest and realistic monetary accounting would allow the implementation of the financial theories which economics engineer C. H. Douglas put forward half a century ago and which are known today as Social Credit. If such accounting methods had been adopted, I am sure that the resulting reform would have spared the Canadian people quite a number of changes.

The very price increases show how faulty the present system is. In my opinion, Madam Speaker, if the financial system was truly realistic, there would be no inflationary trends, but on the contrary, prices would drop steadily, while technological advance and updated methods would both increase and facilitate production.

No doubt we all know that the essential function of a healthy economic system is above all to supply and deliver goods to meet the normal needs, either private or public, of its people.

May I call it five o'clock, Madam Speaker?

**The Acting Speaker (Mrs. Morin):** There is no private members' hour today.

**Mr. Gauthier (Roberval):** If the system fulfils this function, then, where does inflation enter the scene? Where is inflation when facts govern the financial situation? In fact, the objective of the Social Credit is precisely to create a financial system supple enough to adjust itself to reality, a system which could be geared to every development within the economy to any degree of mechanization or automation, a financial system of service rather than of hindrance or domination. The relations between inflation and unemployment have been for several years one of the most controversial issues of the financial analysis. Besides, we now have in Canada a rate of unemployment that is much too high as well as a shortage of consumer goods. In addition, we find that the Minister of Finance (Mr. Turner) was right when he predicted last fall that there would be a higher rate of unemployment in the coming months as well as a drop in production before the end of the year. As time goes by, it is realized that the more the government fights unemployment, poverty and inflation, the more serious those problems become. I really think it is time the government found other solutions and sought the causes of the excessive rate of unemployment, of the fast increasing rate of inflation and of all resulting problems. That situation has become unbearable, since with the current inflation rate, it has become almost impossible to save today, because inflation deprives us of any revenue that might accrue from our savings.

● (1700)

It is apparent that we are heading for disaster. It is time, Madam Speaker, for the federal government to take the necessary steps to provide every Canadian with the required purchasing power to honour Canadian production, which would result in increased demand. The present government have a simple and well known way of avoiding their responsibilities and duties, and forgetting present problems. Judging from the way they act, one realizes that they are unable to consider the present objectively, they just live in the past or a dream. Government members talk, discuss future problems without worrying about those which need to be solved now. Meanwhile, problems keep piling up and becoming worse, since those responsible for their solutions are more and more caught up in the machine of habit or conditioning. And yet, the present cannot be managed just as it used to be by our predecessors.

We, in the Social Credit Party of Canada, have been urging for years precise solutions to counteract the disastrous impact of inflation. We are convinced that those solutions are our only hope of avoiding a dramatic bankruptcy of our economy. In fact, one of those solutions would be the implementation of a minimum guaranteed income enabling every Canadian to live decently within the capacities of Canadian production. We from the Social Credit Party will gladly implement such measures, because families need proper revenues. In fact, we have had the answer for many years. We seriously believed that the government had understood on February 18 last, when the Minister of Health and Welfare (Mr. Lalonde) announced, in a press release read at the welfare ministers' federal-provincial conference, his plans to introduce a guaranteed income system, as well as employment incentive measures.

Finally, the main objective of this program is to offer to the workers higher incomes than those of the unemployed, with public support. This program, which applies only if people have no job, has really nothing in common with the Social Credit program which advocates paying a guaranteed annual income to everyone, whatever their employment and salary.

In the final analysis, this government's program makes a real mockery of what should be a guaranteed income paid to everyone without discrimination. This system, which is more complex than current social welfare programs, will be more expensive than the present system and will simply be adapted to the old social assistance and welfare programs. It is undeniable that inflation should be controlled. But when we see the positions taken by the federal political parties on this matter, we have to wonder if they do not want the opposite. Indeed, in my opinion, the position of the Progressive Conservatives, who simply request a freeze of prices and wages, is unacceptable. Because of all this, and because they were frightened by the results of the price and wage freeze in the United States, the New Democrats decided to change their policy—

**The Acting Speaker (Mrs. Morin):** Order, please. I regret interrupting the hon. member, but his time has expired.