

—those who in effect guided the government into the present inflationary chaos and are unable to lead the government out of it, these same economists—.

... debate whether the inflation rate is controlled within one or two per cent 2 year, they recognize in effect they are only interested in controlling the rate of that burglary rather than stopping it ...

Inflation has always been a revolutionary policy leading ultimately to a totalitarian state.

What are the causes of inflation, Mr. Speaker? The Prime Minister did not discuss that.

When the gross national product stands at \$100 billion and at the sometime the money supply is \$60 billion, there is an automatic cry by consumers for higher wages or higher revenue from \$60 to \$100 billion in order that with such increased revenues the \$100 billion price tag of goods may be bought.

The purchasing power deficiency relative to production is a consequence of inflation, and price inflation relative to cost increases is clear proof that there is inadequate purchasing power relative to prices.

As every production cost is included in prices, it is totally stupid and useless to raise wage revenues without increasing costs, because wage revenues are a part of costs. Boosting wages to adjust to cost increases is absolutely no solution. Proof evident is that inflation absorbs wage increases.

If for instance with the use of some devices we hold a prey five feet before any animal, whatever the latter's speed it will always be five feet behind the prey.

Whatever the rate at which salaries are increased to catch up with prices, because wages are a part of costs included in prices, prices will always be ahead of the consumers, whatever the rate of inflation, whether controlled or not.

Wage rises are no remedy to inflation. However, the revenue increase generated by a guaranteed annual income given to all and financed by new credits from the Bank of Canada which would not be included in prices would expand the money supply at the price level and prevent inflation by supplementing incomes without raising prices.

Only the government can take social measures to fight inflation. Neither industry nor labour can do anything about it. Only the federal government, which has all the economic and financial power, can add to incomes the difference between the total of incomes and the total of marked prices.

Social Crediters have two solutions to balance the economy. The first one is to balance the total of incomes with the total of prices and the second one is to lower prices through a retail discount which would allow consumers to pay prices to producers at no loss for them. I regret, Mr. Speaker, not to have more time at my disposal to deal with all the other causes of inflation.

The first cause I have just dealt with is that our production system, total salaries and revenues distributed in the course of production, is always inferior to the total prices attached to the goods produced over a given production cycle, whence the constant difference between total prices and total purchasing power; that, as I explained earlier, leads to useless runs on higher salaries.

Anti-Inflation Act

Another cause of inflation, Mr. Speaker, is the expansion of credit by the private monopolies that banks are in their own interest: they manipulate credit in the country, for their own benefit, without taking into account overall needs or the economic priorities of the country.

At any time, banking institutions can alter the course of the social economy of a country. Still another cause of inflation is the disappearance of competition in the various sectors of production. Multinational companies have, individually, total sales that exceed in value of the national gross product (NGP) of many countries throughout the world. They have plants, branch offices everywhere in the world. They transfer huge amounts of money, exert considerable influence on the rate of exchange and the balance of payments of countries. They can alter to quite an extent the rate of growth of a country either through exports or imports to or from another country. They can trigger off financial crises of worldwide magnitude. Here is an excerpt from an article published in *La Presse* on March 28, 1974. I quote:

OIL COMPANIES GANG UP TO INCREASE PRICES AND PROFITS?

—and in *La Voix de l'Est*, dated May 13, 1974, one could read this:

In 1980, 200 multinational companies will control the economy of the capitalist countries.

And, Mr. Speaker, when one discovers what is behind all those multinational companies, one comes to the same conclusions as those reached by some American companies or inquiry commissions some years ago. I refer here to the *United States News & World Report* of 25 March, 1974, which says on page 20, I quote:

[*English*]

A study of stock concentrations prepared by the Metcalf-Muskie subcommittees showed, for example, that the top 30 stockholders of Mobil Oil Company had 29 per cent of its stock and that 17 per cent was held by the trust departments of seven big New York banks—First National City, Chase Manhattan, Morgan Guaranty, Bankers Trust, Manufacturers Hanover, Bank of New York and U.S. Trust Company.

[*Translation*]

Mr. Speaker, a little further, it says this:

● (1620)

[*English*]

A House Banking Committee survey of 49 banks in 10 major cities found more than 8,000 cases, involving 6,500 firms, in which officials of banks served as directors of other companies and vice versa.

Of the Penn Central's 23 directors, 16 were also directors of 19 banks; 17 bank trust departments were among the 30 top Penn Central stockholders, with an aggregate 22 per cent of its stock.

The most controversial part of the Metcalf-Muskie study was a charge that banks were engaged in a massive cover-up, using nominees or "street names" to hide their holdings.

[*Translation*]

And this brings me, Mr. Speaker, to the same conclusion I reached a few years ago. An American Senate investigation committee, presided over by the Chief Justice of the Supreme Court of the United States, Mr. Justice Brandies, stated two years later, after the investigation of this committee on trusts and monopolies in the U.S.A. while summarizing his investigation:

There is but one monopoly: the creation of credit.