

The Economy

was 24 per cent only, in the case of our neighbours down South, the United States.

Recent budgets improved the Canadian workers' position. I would have liked to insist on this during the debate, but time is not available because I would like to give a chance to other members. Because members from Quebec allegedly do not wish to express their views on the sales tax matter, I would have welcomed the opportunity to do so, but I shall, on some other occasion.

The automatic escalation of income tax exemptions amounts for this year to some \$900 million in income tax reductions. This certainly is a significant help to Canadians. In addition to the \$100 income tax reduction announced earlier, consumers will benefit from a provincial sales tax cut. I would have liked to elaborate on this, but I will have to wait for some other time.

I must also refer to measures like the amendment extending to capital gains the \$1,000 exemption for interest and dividends, the amendments to the registered retirement savings plan to give it more flexibility in the use of revenues, and the tax exemption on transfers of incorporated farms between family members.

This, Mr. Speaker, concludes this very brief outline of the current situation, as developed by this government for the well-being of Canadians. As I said, I realize this is not paradise on earth, but apparently we cannot expect it in this world.

I believe that under this government, headed by a Prime Minister who entered politics to help his fellow Canadians, and give them a greater share of our great Canadian economy so that they could benefit more, such a goal has been achieved with flying colours, as all available figures and statistics prove this government will endure, and I hope for a long time to come, for the greater benefit of all Canadians.

Mr. Eudore Allard (Rimouski): Mr. Speaker, it is with great pleasure that I support the motion put forward by the hon. member for Roberval (Mr. Gauthier). It is always regrettable to have to correct a colleague, but I should like to point out to the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) that if the hon. member who has presented the motion today is absent, it is because he was called away on serious business. And I would also point out to him that we are only eight members in this House and that without boasting about it we take an active part in all the proceedings of this House. I think that we are one of the most diligent parties along with the New Democratic party, because the hon. member for Winnipeg North Centre (Mr. Knowles) is always here to follow the proceedings and try to see to it that this country gets a fair and honest administration.

Mr. Speaker, the speech of the hon. member for Bonaventure-Îles-de-la-Madeleine reminds me a little of one of my friends who one day went to confession. He started telling the

[Mr. Béchard.]

priest all about his numerous conquests, and the priest finally said to him: My good friend, this is no place to boast, just tell your sins. So, Mr. Speaker, I think this is no place to boast of oneself but rather a place to realize the numerous problems of our country, to realize the enormous unemployment situation and to realize that inflation has been eroding the fabric of our society for several years. I therefore intend, Mr. Speaker, to deal with inflation this afternoon.

Mr. Speaker, we, from the Social Credit party, are naturally the target of a lot of attacks and our philosophy is being criticized on all sides. Unfortunately, I must say that the enemies of the Social Credit party are precisely those who know nothing about the whole doctrine of Major Douglas, and they are often the first, like my colleague the hon. member for Bonaventure-Îles-de-la-Madeleine, to intervene and try to ridicule the philosophy of the Social Credit party. I would therefore urge him to read about it and to realize like many others that the present system is not that great and that there is certainly good reason to look for something better and see to it that men live as they should on this earth, and not in a system which does not meet all the needs of our modern society.

So, Mr. Speaker, the phenomenon of inflation which we have tended to neglect for several years is still with us. Inflation continues to thwart the realization of our individual and collective objectives. We in Canada have to face rising prices caused by shortages and soaring prices in foreign countries. To overcome this situation, the best thing we can do is to substitute home-made products for imported products. We could easily produce here a great number of the products we import.

On the other hand, a large percentage of the price increase is due to international factors that can be blamed mainly on the chartered banks and the Bank of Canada. The chairman of the Royal Bank, Mr. McLaughlin, said last March, and I quote: "The fact still remains that the money supply is growing too rapidly if we are to check inflation." Thus, the managers of the chartered banks themselves confirm what I have always said in the past, namely that the chartered banks have expanded the credit volume inconsiderately, without taking into account the economic situation, without governmental controls and at rates of interest far too high. Consequently, these credits have not benefited the whole population, as we have created poverty in the midst of plenty. Let us not forget, Mr. Speaker, that the price mechanism is directly related to the monetary system. Theoretically the chartered banks can issue up to 16 times more money in the form of credit than they have in actual reserves. The high interest rates on bank loans are responsible for the ever growing rate of the cost of living.

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The producers who have to repay the capital and interest will reflect those costs in the price of their products. Consum-