

increasing and reimbursements become harder to make. The costs of those debts are in turn added to the new price aggregates which go on increasing and inflating to such an extent that authorities become upset and finally yield to the hues and cries of disapprobation and appoint an enquiry commission.

Is profit to be eliminated? We cannot control prices. Price is made up of costs. There is no use cooking up figures to lower a price from \$10 to \$9 if the final cost of a finished product is \$10.

Some people suggest to restrain profits, even to eliminate them. It is the drastic solution of Marxists and mini-Marxists; let us abolish profits! But if a manufacturing industry does not allow its owner to make a living or does not allow its directors to issue reasonable dividends to stockholders who finance the industry, it is going to end production and direct its operations toward more profitable areas.

Profits kept within reasonable bounds are an incentive, and encouragement to produce. The effect of good competition is to keep profits within reasonable bounds.

Faced with prices which steadily increase, consumers need more purchasing power. Presently, they are trying to get it by higher wages or higher social benefits. Those higher wages and welfare payments are in turn reflected by prices which will increase proportionately. Therefore that is not the solution we seek, even if specific conditions have to be improved.

What we need is a purchasing power supplement that will go to the consumer without going into prices, namely a new purchasing power directly distributed to the consumer after having been directly created by the state's financial organization.

The other solution proposed by the Social Credit consists in having consumers pay only the actual cost of the product.

If the actual cost of a suit is \$80 and it retails for \$100, the consumer will pay only \$80 for the suit which retails for \$100, while the difference between the retail price and the actual cost, namely, \$20, will be paid as compensation to the retailer by the central bank whose duty is to establish and maintain a balance between total expenditures related to production and the total cost or the purchasing power distributed in the course of that production.

The only compulsion element to be taken into account in that solution is the profit factor.

But nothing would be simpler than setting a rate of profit for any given type of products, or for any given class of producers.

So that would be a just and worthy solution to the problem, not only food prices but all consumer prices as well.

● (2150)

Mr. Roch La Salle (Joliette): Mr. Speaker, in the few minutes that I am allowed, I wish to thank the member for Rimouski (Mr. Allard) who, I believe, cut short his speech in order to give me a chance to say a few words.

I should like to take part in this debate on the official opposition motion, which deserves the attention of the

Increased Cost of Living

House. Judging by the speeches I have heard, we are clearly still trying to find out who is responsible for the inflation.

We have heard hon. members making certain criticisms, some fair some not so fair, some rather harsh. I think that when the Minister of Finance (Mr. Turner) ran through all the legislation introduced by the government in the last four or five years, he was quite right in saying that the government had made great attempts to combat inflation, and I think also that we are quite right in saying that, in spite of all its efforts, it was completely inadequate, not to say a total failure to achieve their aim of stopping inflation, which is costing every individual a tremendous amount today.

The Progressive Conservative Party's motion certainly deserves our very close attention. I was very glad to hear the hon. member for Bruce (Mr. Whicher) say: We should not freeze prices for nine months, but for two years. It seems to me that the Progressive Conservative Party has put forward a limited proposal which, as I have said, nevertheless deserves consideration. However, one member claims that for a measure to take effect, it has to be implemented for at least two years.

As for the New Democrats, they naturally disagreed with the Progressive Conservatives. Just now they blamed the government for not having succeeded in fighting inflation, but I did not hear them suggest any real solutions.

The Social Credit Party also gave their opinion. Personally, I do not necessarily believe in the solution recommended by this party. I shall therefore not go too lengthily into the opinions expressed.

With limited time, it is of course difficult to make an in-depth study of the problem. However, I should like to express in this House the concern of Canadians about this problem and the feelings of all hon. members by saying that it would be urgent to refrain from criticism or partisanship regarding such an important issue. Canadians badly need a solution.

Who is in a better position than hon. members to find one? I feel the government has a major responsibility to assume, being in charge of governing the country. Of course, opposition parties, any of them, and hon. members should co-operate and submit the best ideas, the best opinions, the best suggestions to the government. But of course the government would have to be willing to accept suggestions voiced by different members or different parties.

It would be to the government's advantage.

I know it has been meeting businessmen; it should multiply those meetings with businessmen and make them understand that they are heading for disaster if they keep on anticipating such enormous profits.

I also think that the unions should be made aware of the danger involved in certain collective agreements and requirements which necessarily entail salary increases and so on.

We are perfectly aware of the fact that we cannot leave it to agriculture or a few small industries to solve the problem called inflation. We are quite aware that surely a small group is not responsible for it. Businessmen, indus-