

of our imports and by the price offered to us for our exports. These are the two things that regulate the high cost of living and the prices of many commodities.

Some people talk about the farmer getting too high a profit. They try to attribute the rise in the cost of food to the agricultural class. I think that is entirely erroneous. There is one sure thing: these prices cannot be attributed to the excessive net profits of the farmers. Their net incomes are lower today than they were during the war years when most of these products were lower in price. On the other hand that cannot be said of industrial corporations or of financial corporations, where you do not see the same decline in net incomes as you see with respect to the farmers. The same applies to the intermediary, or shall I call him the middleman, the packing industry, those who are slaughtering, packaging and distributing meat and agricultural products, and also the large milling companies. When you see the balance sheets and reports of some of these companies you do not see that their net profit is down in comparison with the net income of the farmers. Yet it can be said that the farmer is not in such a poor condition now. His net income is not quite as high as during the war, but it is still much higher than it was in pre-war years. The least that can be said is that he has a more decent kind of living. I am sure nobody here would want him to revert to the net income that he had before the war.

If the condition is looked into fairly no one can suggest sincerely that the high cost of food can be attributed to excessive net profits made by the farmers. Even if they get more they have to pay more for commodities and services, and though they may have a better profit than they had before the war, they do not get as high a profit now as they got during the war. As I said before, the large corporations are maintaining their scale of profits in a better way.

To curb the inflationary effects of too large a supply of money in the hands of the people the government has already tried to apply some remedies. They have limited credit, and now we are flooded every day with representations from automobile distributors and vendors of this and that to the effect that because half the cost has to be paid immediately on purchase and the balance distributed over 12 months, it ruins their business. Yet the function of this provision is to limit the amount of money the people can spend on consumer goods, or to prevent excess purchases by people who cannot pay immediately. The idea is to put our economy in a better position and allow our people to

spend only what they earn. There is also a limit put on the write-offs by the big corporations, an increase in the interest rates and an increase in the corporate taxes. All these are measures complying with the traditional advice on what should be done when we are threatened with inflation. These are measures that have been devised long ago by economists. They have not fully succeeded in curbing the inflationary high cost of living, but they are steps in the right direction. In this regard it may be interesting in a short while to see the results of the new policies announced by Finland, which are exactly the opposite of what every economist up to now has advised. They lowered the rate on borrowed money; they facilitated spending. They have increased salaries. In an effort to curb inflation or the high cost of living they have taken exactly the steps which up to now were considered conducive to inflation. It will be interesting to see in a short while whether or not that leads them in the right direction, but it is an entirely new and revolutionary step in so far as conducting financial matters in a conservative way has been considered to be advisable. I saw these people at work during the past summer. They are energetic; they are hard, tough people. They work well. They are keen in what they do. They are not going in for any kind of entertainment as you see it in other countries. They are all working seriously and facing up to their problems. They are building apartments for the working people, something of which my hon. friends say we do not have enough. They have paid off nearly all their war debt to Russia. They are the only country who have paid off their debts of the first war. They are now trying this new step, the result of which should be most interesting to see in a short while.

The problem, Mr. Speaker, is world-wide, and can be coped with only on a world-wide basis and an international plane since, as I said a moment ago, the cost of our imports and what we get for our exports regulate the cost of the different commodities in our country. Only when the nations of the world get together and devise new means can we hope to have an effective tackling of the problem. I do not want to bring any depressing ideas into the debate, but after talking to many people in different countries who are supposed to know about it, nobody seems to be doing much different than we are doing. Everybody is experimenting with this or that system, and the prices go up. The only thing we can envisage in this house is that this government has done its best, and that no constructive, effective criticism has come from the opposition side. They have rightly criticized the increase in the cost of living but no