

no one is more anxious to cease the granting of credits than the Government, because many difficulties are involved in securing the credits and taking care of their distribution.

**Mr. J. H. SINCLAIR:** The minister has not dealt with the main question at all, that this manipulation of finance maintains high prices. Does he expect to go on doing this or is he going to stop? If it is true that the granting of credits is the cause of the inflation of prices, every time a credit is granted increases the price to the home consumer. When is it going to come to an end?

**Mr. A. K. MACLEAN:** I think the end will come when we reach the time hoped for by the leader of the Opposition when natural trade conditions will prevail, when the nations of the world will be importing and exporting as they did before the war, when we shall again have international competition. When Canadian products are sold, the price is agreed upon by the purchasing country. If Canada furnishes credits for the purchase of Canadian products by other countries, we do not fix the price. There is such a demand, particularly for certain food products and some manufactured articles, that prices are extremely high to-day. Take the case of wheat. The fixed and guaranteed price in the United States for this year is \$2.26; ours last year was \$2.24. That is a very high price for wheat, but I doubt very much whether the world will ever see again the price levels of days gone by when wheat was selling below a dollar a bushel. Although \$2.24 seems a high price, the view prevails that it is not an excessive price. When the United States fixed the price at \$2.26 last year, they submitted the whole matter to a committee of eight very expert men, and it was their judgment that that was not an unfair price for the producer. I have discussed this matter with a great many Canadian wheat producers, and I am bound to say that I doubt very much whether it is an excessive price, particularly if there is a small or average crop. The cost to the farmer of producing wheat is exceedingly high at the present time, or at least very much in excess of the cost which prevailed prior to the war. I suppose that if credits were granted freely by governments to all countries desiring to purchase their goods it would have the effect of driving up prices, but no country is anxious to give credits to-day. The United States Government is not giving any, although they realize that somebody in the United States must make

advances to European countries or they would not be able to sell. I cannot see how any European country can purchase anything of any kind to any extent unless somebody advances them the money.

**Mr. BURNHAM:** We can all buy if you give us the money.

**Mr. A. K. MACLEAN:** But these credits have to be repaid.

**Mr. J. H. SINCLAIR:** The minister is speaking as if he were solicitous about the farmer, but it is not the farmer that is going to be benefited by this transaction which we are discussing; it is the owners of the cold storage plants, who have hoarded up this meat to fetch a high price. The people of Canada needed this meat, but the cold storage men would not sell it to them. They held it until, as the minister says, it was in danger of being destroyed, and then the Government steps in and furnishes money to export it to Italy, financing the bills for Italy. I have no doubt Italy is just as able to do its own financing as Canada. Why does the Government do this for the cold storage people? It is not in the interests of the farmers, for not one dollar of this money will go into the pockets of the farmers; it will go to the profiteers. That is what makes it so difficult for the people of Canada to accept the situation. It is not only in regard to meat and wheat, but in regard to other things as well. I was speaking to a merchant tailor this morning and he told me about the difficulty he had in securing cloth to keep his business going. He said that if you went to one of the jobbers' shops there were half a dozen persons looking for the same web of cloth, and one man would offer \$5 a yard and another \$6. They would bid against one another because they had to have it. The mills are busy making cloth for Rumania, and the Government is borrowing money from the people of Canada to finance the business. The millers do not care anything about Canadian trade. They are doing very well by selling their goods in foreign countries. This has to stop, and the sooner the better.

**Mr. A. K. MACLEAN:** I quite agree that it must stop, and the sooner the better. I am sure that it is the desire of all countries to get back to normal trading. But unfortunately there has been a war for four years or more and all trade and commerce has been disrupted and has been conducted for some time along artificial lines. I did not know when I was speak-