

to meet competition from anywhere, and were quite willing to do so if the concerns from whom they bought were subjected to similar competition. But in the end, realizing that most of our secondary industry was protected in some manner or other, the agricultural interests gave up the struggle and became reconciled to the idea that some kind of protection was necessary for their industry. Then parliament approved the policy of price support for agricultural commodities. I am not arguing at the moment whether that policy was good or bad. My point is simply this, that it is the law of the country. Inevitably the time had to come when it was necessary to put that policy into effect through purchase of agricultural products by the department at certain minimum prices.

Now when a board, acting on behalf of the department, acquires certain products, it will become the board's responsibility to decide what to do with them afterwards. My honourable friend asked me what would happen if the price of a certain product dropped after the board had purchased a considerable quantity of it. I should think that the board would have no alternative to selling it at less than purchase price. I know of nothing else that could be done. To whom the sale would be made is a matter that the board would have to decide. It might be to individuals, or more likely to some outside governmental authority.

This bill gives statutory form to a board that is already in existence, having been created by Order in Council, and the board will carry on this trading in agricultural products just as long as parliament deems it necessary.

As I say, in the circumstances it was only to be expected that a board of this kind should be established, for there must be some machinery for carrying out the policy of price support for agricultural products. But the interesting thing, the point on which a whole sermon could be preached, is that the board's action that has been referred to was not taken pursuant to the policy of maintaining a minimum price. The procedure was the reverse of buying a certain quantity of butter and selling it. The purpose of the operation was to stabilize the prices on the up side. The government purchased, or agreed to purchase, 10 million or 15 million pounds of butter, not for the purpose of protecting the market on the low side, but on the high side; in other words, for the benefit of the consumers.

If one compares this country with the United States and Great Britain, it becomes obvious that we are to the left of the United States and probably to the right of Britain. The United States has, for instance, few

instances of public authority engaged in generating hydroelectric energy, but Ontario years ago took over from private enterprise the generation of electricity in that province.

Hon. Mr. Roebuck: May I interrupt to the extent of saying that that is a natural monopoly? There are only a few sources of power, and its distribution requires the intervention of the state in a monopolistic way.

Hon. Mr. Robertson: I am merely citing this case to show the general nature of the operation of public authority. I could go on to mention railways, tramways, electric lighting systems and telephone operations, all of which have in certain instances been directed by public authority.

Rightly or wrongly, a group of agriculturalists in this country elected to ask for, and secured, minimum prices for farm products. I would point out that if the minimum prices are fixed we must inevitably expect some public authority to dictate maximum prices.

Hon. Mr. Roebuck: That is, you abandon private enterprise?

Hon. Mr. Robertson: I did not abandon it. My friend was just as much a member of the house that passed this original legislation as I was. I repeat that the inevitable consequence of minimum prices throughout our structure is the setting up of maximum prices. Whether this might be called "near socialism" is a question of degree.

There was recently in the city of Halifax a move by the city to take over the operation of the tramway system, and the countryside rang with the suggestion that it was nothing but a socialistic move. But when I come into the province of Ontario I find that the public ownership of such services is commonplace, and I find some difficulty in knowing just where the line is drawn. But I say that if we want the advantages of minimum prices maintained, either by public or private authority, we must inevitably expect that public opinion will dictate maximum prices.

I do not see how anybody can express surprise at this measure, having known that parliament adopted ten years ago the principle of minimum prices for agricultural products.

Some Hon. Senators: Hear hear.

The Hon. the Acting Speaker: The motion, honourable senators, is for second reading of Bill 18.

Some Hon. Senators: Carried.

Hon. Mr. Paterson: On division.

The motion was agreed to, and the bill was read the second time, on division.