

bers, four being wheat producers. There was also a limitation of 5,000 bushels as the amount to be purchased from any single farmer.

All these three features are altered. Under this Bill "wheat" is wheat produced not only in those four Western Provinces, but also in Ontario. The advisory board is now appointed, not to advise, but to assist—whatever the difference may be—and is to consist, not of seven, but of eleven members, of whom six, instead of four, will represent wheat products. And the limitation of 5,000 bushels is abandoned. There is also some alteration in the law so far as the Fort William-Port Arthur basis is concerned.

Hon. Mr. HAIG: That has been withdrawn.

Right Hon. Mr. MEIGHEN: I see. Then I have not the Bill in its last form.

I am not commenting on any of the features I have mentioned, save this. We have come for the first time into Central Canada in respect of wheat control. As this Bill defines "wheat" to include all wheat produced in the four Western Provinces and as well in this province, and makes that wheat subject to marketing through the board, and subject to the processing tax, which is now imposed for the first time, I am wondering what will be the result of leaving out Quebec and the Maritime Provinces. I suppose only an expert can answer that question. At least, I am not expert enough to answer it.

The processing tax is fifteen cents a bushel (if the Bill has not been amended in this respect as well), and is to be paid when the miller who has bought wheat from the board for processing in Canada processes it and sells the product. When he sells any product, whether it be bran, shorts or flour, he has to collect the tax from the purchaser, and remit it, as detailed in the Bill, to the Wheat Board. The Bill does not say how much he has to collect from the purchaser of bran and shorts, and how much from the purchaser of flour. The tax of fifteen cents is on the basis of the bushel of wheat which he processes. There is, however, a clause which provides that the Governor in Council shall have power to make regulations, and I think it is wide enough to enable the Governor in Council to say what portion of the tax shall be assessable against by-products and what against flour.

A substantial quantity of wheat is produced in Quebec and in the Maritime Provinces. That wheat, so far as I know, is of the same character as the wheat of Ontario, but not the same as that of the West. While the quantity of Quebec and Maritime wheat is

Right Hon. Mr. MEIGHEN.

substantial, it is not at all comparable with the quantity produced in the West, and is scarcely comparable with the quantity grown in Ontario. Nevertheless it is there. I am not certain whether it would be to the disadvantage of the farmers of Quebec and the Maritimes not to come under the board. I am not certain, but I presume that the miller, wherever he buys the wheat, will have to pay the board's price for it. Others may think differently. But what is to be the result of milling in Quebec and in the Maritimes without a processing tax—for, if I read the Bill aright, the tax does not apply there—and with the consequent reduction, corresponding to fifteen cents a bushel, in the price of wheat? What is to be the result of competition between the miller east of the Ottawa river and the miller west of the Ottawa river? I should think the eastern millers would be able to invade the whole Ontario market very easily. On the other hand, this may be to the disadvantage of the farmers of Quebec and of the Maritime Provinces, and I should certainly like some light on that particular phase of the Bill when it goes before committee.

Hon. Mr. DANDURAND: My right honourable friend's remarks will be transmitted to the officials to appear before the committee, and they may be able to give him the information he requires.

The motion was agreed to, and the Bill was read the second time.

#### REFERRED TO COMMITTEE

On motion of Hon. Mr. Dandurand, the Bill was referred to the Standing Committee on Banking and Commerce.

The Senate adjourned until Monday, August 5, at 3 p.m.

## THE SENATE

Monday, August 5, 1940.

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

### WAR CO-OPERATION

#### REPORT OF SPECIAL COMMITTEE

Hon. C. P. BEAUBIEN: Honourable senators, the Special Committee on War Co-operation beg leave to make their second report, as follows: