

case is a wholesale purchaser or a wholesale dealer, and is therefore a wholesale distributor. But simply because he buys wholesale in England and distributes in Canada, why should he be able to import goods from England and sell them in Canada at a lower rate than that at which they are sold in England? It seems to me that clause gives scope for improper and unfair practices.

Mr. ILSLEY: I believe I have already stated the reason, and I cannot state it more clearly. The reason I gave was that the distributor renders a service which the manufacturer himself renders when he sells in the country of origin.

Mr. BENNETT: One thing I congratulate the minister upon is that with his usual skill he has shown a power of adaptability which does not surprise me, but upon which I congratulate him, because if two years ago he had said in this house what he has been saying this evening he would have been speaking on the government side, and not as a member of the opposition. Therefore it is gratifying to find that thus early he has found in practice that the only way one can deal with the situation is the way in which he is dealing with it, and he will find, as he goes along, that will be true to a greater extent. The exceptional conditions which prevail in world trade to-day make it essential that the minister must have the power which he is now taking and which he says himself he must exercise to deal with these extraordinary conditions.

The best illustration is the one which he gave a moment ago in connection with motor cars. It is one I know something about because it was brought to the attention of the government last summer. The effect of this will be to increase a certain type of trade with Great Britain, and with other countries as well. I am much concerned about what the effect will be on our trade in some other countries. One of the great difficulties we have in dealing with matters of this kind, having regard to the favoured nation treatment we must accord to all countries, is that when we proceed to make an agreement, unless it is an agreement within the British empire, we are at once confronted with the favoured nation treatment. This very measure now before us illustrates the point better than anything else. We have interchanged letters with the United States for the purpose of effecting a given end. That end is now accomplished by this statute, and the statute applies to every country in the world. What we paid by making concessions to obtain the advantage has been paid to

the United States. All other countries which have a similar trading arrangement with us will now receive the benefit of this statute. There is no favoured nation provision in connection with it; it applies to all countries; the section we are adopting applies to every country of the world. This is one of the things we paid to the United States for the purpose of getting concessions from them. This illustrates better than any words I could use one of the difficulties under which we labour in dealing with matters of this kind. Every country of the world, Czechoslovakia, Singapore, and the Malayan states now become subject to the provisions of the section. Some of these countries could ship rubber goods into this country at prices which would make it impossible for us to know what to do, and could sell tennis shoes in Canada at prices which would threaten the closing down of our factories. That is one of the difficulties the minister will discover among the many complexities of administration with which he has to deal. It is one more burden added to the many burdens he will have to bear. Nothing has given me greater pleasure than to observe the minister's statement that it would be admitted that the minister must have the power to fix these prices. I congratulate him.

Mr. CAHAN: In selecting motor cars the minister selected one of the two or three known cases. I suggest, however, that the amendment would be far better if worded "by reason of the fact that exceptional circumstances of the trade render it necessary or desirable." I believe the word "the" before the word "circumstances" might be omitted, and the word "exceptional" inserted. Otherwise the section is open to grave abuse.

Mr. ILSLEY: If so, it would continue to be so under the proposed change.

Mr. CAHAN: No; it would have to be shown to the minister that the circumstances were not usual, because the word "desirable" has its own import and meaning. I suggest "by reason of the fact that exceptional circumstances of the trade render it necessary or desirable" and so on. That would be a broader and fairer provision.

Mr. ILSLEY: I listen with great respect to any suggestion by the hon. member, but I am afraid I cannot accept the present one. The section is drawn to cover "the circumstances of the trade," not "exceptional circumstances." The circumstances of the trade between a foreign country and this country render it necessary or desirable that, for ex-