

that the supply would go forward with reasonable regularity fifty-two weeks in the year, no matter what the market condition in Great Britain might be. Last year this cooperative organization that I mentioned attempted to solve that problem, which for quite a number of years has presented almost insuperable difficulties to our cattle men, having been an important factor in keeping down the size of our shipments to a comparatively small number. In making this arrangement the cooperative organization went on the principle of paying the highest Canadian price at all times, selling in Great Britain at the highest price available, and assuring the shipment of a designated number of cattle each week no matter what the market conditions might be; and by putting into a reserve the profits made during the good months they hoped to be able to carry on during the bad months. I think they accumulated a reserve of \$10,000. They were under a slight handicap because they commenced their operations after the good season had started, and consequently did not get the full benefit of the good months in which to build up a reserve before the bad months came on. In addition the number of cattle shipped in the months when prices were less favourable greatly increased. Nevertheless the organization could have carried on and could have established that trade. But then the exchange broke, and when the organization made up its books at the end of the year it was found that the loss on each adult steer or cow during the months it had been operating was from \$14 to \$17 a head due to exchange alone. It was a greater loss than the ordinary market loss; in the aggregate it was double the loss brought about by the actual market conditions. Anyone who is familiar with the trade will recognize that a loss of \$15 to \$17 a head is equivalent, for example, to the total shipping charges. It is an intolerable handicap. In any case the net result was that the cooperative organization expended its entire reserve and a few thousand dollars more that they were able to scrape together, and then had to break the contract, cease shipments, and sever what we hoped would be a very hopeful line of trade. When the matter is brought down to dollars and cents and it is found that there was an actual net loss of from \$14 to \$17 per head which had to be paid for out of reserve funds, those of the committee who are still a little uncertain whether or not exchange actually does cause a loss would have had all those doubts removed had they been associated with that movement and been called upon to pay any share of the loss involved. When one can

[Mr. Speakman.]

definitely show by the books of a company that bankruptcy has ensued and that a definite loss has been sustained and met in dollars and cents, he is in a position to advance a more potent argument than any contention based on theory could possibly be. I suggest again, as has been suggested many times throughout this discussion, and as the minister himself knows—because he has studied the question as fully as any member of the committee—that until the matter to which I have referred is considered, the agreement will mean very little so far as increase in trade is concerned. In saying that, I wish to correct a misapprehension which has apparently been seized upon by some. The mere acceptance of the agreements and entering into these arrangements would not necessarily be the cause of an unfavourable exchange situation. The exchange situation is there, and it would be there to exactly the same degree whether we had the agreements or not. It might partly but could not wholly be overcome by some of the preferences. Rejecting the agreement does not alter the exchange situation. I should like to emphasize that point. I do not wish to indulge in tedious reiteration, but it has become obvious in the cattle trade, that exchange itself will prevent us from profiting as we could profit by the agreement. This agreement being, as it were, a final throw of the cards in an endeavour to improve conditions and to establish agriculture on a better basis, I think when it is discovered that exchange does obviate and nullify all these beneficial results the day will be nearer when this government, the British government and the different governments throughout the empire will set themselves definitely to a solution of this one problem.

Mr. GEARY: It sounds like common sense.

Mr. CAMPBELL: Is there any reason for the lack of definiteness in this article? In my view it is most indefinite. It states:

His Majesty's government in the United Kingdom will invite parliament to pass the legislation necessary . . .

And so on. It would appear on the face of it as if the British representatives were not obligating themselves directly to implement the conditions contained in the agreement. Perhaps I am wrong in that assumption; if so the minister will put me right.

Mr. STEVENS: That is the language chosen by the draftsmen of this and other documents. It will be understood of course