

Great Britain has attempted to deal with price levels, in some respects, but through some of her responsible leaders Great Britain has said that there are distinct limitations to what may be done by one nation alone. One reason why I am glad we have this agreement with Britain is that Britain is giving a lead to the world, even though it is not a very distinct lead in the minds of some people, with regard to the question of money. In the *Journal of the Parliaments of the Empire* Right Hon. Stanley Baldwin is reported as having said:

We have no intention of returning to gold as long as gold behaves itself as it is behaving. We cannot give definite undertakings as to the future course of sterling prices, and experience elsewhere—in the United States, for instance—has shown the difficulty of one country endeavouring to raise prices. The policy adopted by the monetary authorities in this country has recently been one of cheap money and an abundant supply of money, which will produce an effect on prices in the long run. I am not at all sure that some, at any rate, of the dominions would not find a plank here on which they might take their stand, but that time will show.

The MacMillan committee, dealing with this question of raising price levels, has this to say at page 177 of their report:

Thus our objective should be, so far as it lies within the power of this country to influence the international price level, first of all to raise prices a long way above the present level and then to maintain them at the level thus reached with as much stability as can be managed.

We recommend that this objective be accepted as the guiding aim of the monetary policy of this country. The acceptance of such an objective will represent in itself a great and notable change. For before the war scarcely anyone considered that the price level could or ought to be the care and preoccupation, far less a main objective of policy, on the part of the Bank of England or any other central bank.

Now I should like to deal for a little while with the question of cattle exports to Great Britain. The removal of restrictions to this trade is of some advantage, and here again I say that actually we are working towards freer trade. I remember being told years ago in Scotland that the British embargo against Canadian cattle was nothing more than a protectionist dodge. If you have restrictions against the importation of wheat or cured meats, let us say, a little delay is not so tremendously important, but anyone who has handled live stock either on the railway or on the highway knows that when things go wrong and there is delay, costs increase rapidly and the loss results through the deterioration of the stock. So while there is not a great deal said about it I think the

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removal of these restrictions will be to the advantage of agriculture generally, because after all there is an interdependence between our wheat farmers and our meat producers. Our shipments of cattle to the United States have continued in spite of the tremendously increased tariff against them, but our shipments to the old country have not increased as we might have wished. At the same time, however, I think it well that every effort should have been made to open up the British market to our cattle because, in spite of statements that the United States is on the verge of reducing tariffs it seems that every move during the last ten years has been in the other direction, and we know that when the Fordney-McCumber tariff was adopted it brought about the ruin of western stock raising. But here again I want to say that anyone who has visions of a tremendous expansion in our cattle industry may be a little too optimistic.

I should like to quote a statement made by Premier Bruce of Australia in his remarks to the delegates before they got down to work on the definite agreements. I read from page 99 of the report of the conference:

The position of meat is causing the Australian government and a large proportion of our farmers and pastoralists the greatest concern. It would be difficult to obtain the endorsement of Australian public opinion to any reciprocal arrangement which did not include provision for some real benefit for meat producers. The inclusion of meat in the concessions which Great Britain finds herself able to make would not only mean that the beef cattle industry would be benefited, but that real assistance would also be given to the great wool-producing industry of Australia.

And here is what the Hon. N. C. Havenga, speaking for South Africa, said:

Up to now the union has not attempted to develop the meat-export trade to any extent, but largely owing to the slump in wool prices and the instability of the maize market, it has to consider the advisability of changing its farming system in the direction of meat production.

It looks, therefore, as though there will be plenty of competition amongst the dominions for a place in the British market, so that here too we are up against the position of having to adjust our costs, our money costs and any other costs we can adjust under the circumstances, in the hope of being able to get along until a policy of possible inflation raises prices generally of natural products in the world. It seems to me, in view of the quantitative regulations suggested in the agreements, that we are trying to do something which a number of hon. gentlemen in