

Unquestionably we have unusual world conditions. But how will any of these schemes break the law of supply and demand? The law of supply and demand has undoubtedly governed in all individualistic and capitalistic countries since world trade began.

Mr. YOUNG: They are going to repeal that law!

Mr. MALCOLM: The very best cure for low prices always has been low prices. Over-production is always caused by high prices. I have said time and again that the minute a business becomes too highly protected the result inevitably is that too many men go into that business and over-production results. We have had it evidenced in the United States to a degree never before known. That country has too many factories; take shoes as an example. The United States can produce enough in six months, if they run their factories three shifts of eight hours, to supply the world for a year. That, of course, has been brought about by the unusual conditions during the war. If the minister raises the price of butter beyond the normal price, which is caused by the law of supply and demand, he will admit with me that he is going to increase the production of butter to a point that will inevitably cause a worse over-production and a lower price level than exists to-day. I say to him in all kindness, based on opinions I have had expressed to me by some of the best marketers in the world: Do not depart from the functions of government; which functions are to give all service possible to the producers. Do not ignore what his own Minister of Trade and Commerce will tell him, and what I have said to my former colleague the ex-Minister of Agriculture; our chances in the markets of England are dependent entirely upon the service we render to the buyers there plus the quality of our commodities. We have established that in grain. We can establish it in other commodities. But it would be just as absurd for us to try to tax the consumers of wheat in Canada in order to undersell the Argentine, India, Russia, Manchuria or any other country producing grain as it would be to do what he suggests doing with milk products. The government can, I believe, assist the farmers in every branch of agriculture by compelling packers and exporters to put up Canadian products in a way that will be suitable to the export market. By so doing they can assist in selling those products in the British market. This has been pointed out by the present high commissioner in Great Britain; it has

been pointed out by our trade commissioners under several governments. The present Minister of Trade and Commerce has on many occasions mentioned it in this house and in public speeches. I advise the minister to create marketing boards for grading products; to give all the assistance the government service can to the producers of agricultural commodities, but not falsely to stimulate any branch of agriculture by any export bonus system. I am quite satisfied that by so doing he would be entering a field that would be destructive in the end, both to the people he is trying to help and to the trade of this country.

Mr. CAMPBELL: Mr. Chairman, I am not one of those who think that a farm marketing board would cure all the ills of agriculture, but I am certainly not able to follow the illogical arguments that have come from some of our friends to the right with respect to such a plan. My hon. friends from Weyburn (Mr. Young) and Assiniboia (Mr. McKenzie) seem to be afraid that a marketing board would raise the price of butter—both of them expressed that quite clearly—and so increase production. I am not afraid of the government doing anything that will raise the price of butter; that is certainly the object of a marketing board. If it does not increase the price of butter, but on the contrary lowers the price, then all the ills that my hon. friend from Weyburn mentioned will not follow. So we do not necessarily need to worry about that part of his argument. The argument is advanced that it would increase the cost of production by increasing the cost of living. Well, if the increased cost of living consequent on raising the price of butter is distributed throughout this country in increased purchasing power in the hands of the farmers and other workmen, who are themselves consumers, then I cannot see any great evil is going to ensue from such a policy. Certainly the buying power of the farmers would be increased to the extent to which the price of their butter is increased.

Mr. YOUNG: Would you make a present of \$3,000,000 to the British workmen?

Mr. CAMPBELL: My hon. friend is all wrong there. That might be a fine argument to use on the hustings, but it cannot convince members of this house that any such plan will work out in that way at all. It is a most illogical argument. Now, the former Minister of Trade and Commerce quoted