

those goods and take them out of Canada, because that has certainly a direct effect on keeping prices higher than they would be if the matter was left to trade and traffic in this country itself. I cannot see any justification why the Canadian consumers are compelled by this Government to a foreign country, when that money is to be used for the purpose of keeping prices at the high top-notch figures at which they are now. If we have a reduction at all by competition, it is by the supply becoming large and people being obliged to bid or do the best they can to get the current prices for their goods.

Mr. BURNHAM: What method would the hon. member adopt to establish the proper balance between the producer and the consumer?

Mr. McKENZIE: The law which exists and which is as old as the hills, the law which regulates itself as to supply and demand. If there is a large supply of beef in this country, and the merchant or the owner of it cannot keep at his high prices in order to get rid of it, he must sell at a lower price. But this Government steps in and says to that man: You need not sell at any lower price; we will keep you at war prices, and we will give money to foreigners so as to enable them to come into this country and buy that extra supply and take it out of the country and enable you to keep at your high prices. The law of supply and demand, as I understand it, is put out of operation in that way by artificial means, and I say that the Government of this country is not justified in doing that.

Mr. A. K. MACLEAN: There are just two views on the question which my hon. friend has raised. One is that no aid in the form of credits be given to our export trade, and that it be allowed to operate as in pre-war days. The other view is that you assist the purchasing country to pay for our goods by lending them the money. My hon. friend says that we should allow the law of supply and demand to govern all trade and commerce. Every nation desires that, but there is no such thing in some countries to-day as the operation of the law of supply and demand. The question of wheat, for instance, which we are likely to discuss some day next week, presents a great many difficulties. We shall have a wheat crop this year of probably 300,000,000 bushels, and an exportable surplus of from 200,000,

[Mr. McKenzie.]

000 to 225,000,000 bushels. Everybody knows that it is important that this Canadian wheat gets out of the country. Wheat is no better than any other product, except that it is more useful as a food than some others, and the wheat producer has no right to expect better treatment than the farmer who is producing other products, but it is very desirable from the standpoint of exchange that the wheat should get out of the country, because it is one of our exportable products. If we export 200,000,000 bushels of wheat, that means \$400,000,000 coming into this country with which to pay for our imports from the United States, and therefore it is desirable that we should have a movement in our grain trade this year. But the Western farmer cannot export his wheat unless he gets paid for it in some way or other. Suppose that Great Britain says next September or October "We will not guarantee the price of wheat, and we have no way of buying your wheat unless you advance us the money. We will buy of Argentina or of Australia, who are willing to give us a credit." If that event should occur the situation would be serious, unless we loaned Great Britain the money.

Money will never pay for the imports of a country. Great Britain's gold supply would be exhausted in a week if she had to pay for her imports in money. So while natural trade is desirable, and is better for producer and consumer, and the sooner all nations get back to it the better, still conditions prevail which prevent it and for which nobody is responsible. I quite agree with the views of my hon. friend, but it may very well happen that we may yet have to give credits to help our export trade. Where would Canada be to-day if we were not exporting what we are under the credits that were given last year. There would be a congestion in this country of our exportable goods, and production would immediately diminish, because there would be no encouragement to produce. However, that matter has been discussed several times in Parliament, both sides of the case have been presented clearly and ably, and the question is likely to come up again next week on the amendments to the Grain Act. The Government are not anxious to establish further credits to any other country. It may well be that we have reached the point where it would not be wise, and might even be impossible, for us to grant further credits. I can assure my hon. friend that