

assistance from some concern, or they may find it necessary to establish the plant themselves. I have no doubt the Minister has found from experience that something like that may have to be done; therefore he has put in a clause wide enough to cover it. Of course, the erection of a packing plant would cost a fortune.

Right Hon. Mr. GRAHAM: Who will meet the loss on depreciated currency—the Board, the local board, or the Government?

Right Hon. Mr. MEIGHEN: That bothered me. Australia, and I think New Zealand, did something of this kind, and the money came from the Government, as far as I know.

Hon. Mr. MURPHY: It is implied in the governing clauses at the beginning of the section.

Right Hon. Mr. MEIGHEN: Yes. Having regard to the Board's powers to create reserves and the like, I presume this would come out of the Board's money, and that ultimately it would come from those who receive the benefit.

Hon. Mr. DANDURAND: And it receives votes from Parliament.

Right Hon. Mr. MEIGHEN: There will certainly be votes by Parliament to the extent of the expenses of the Board. I do not think it is intended that they shall be assessed against those who come under the Act.

Hon. Mr. SINCLAIR: That would be a very small proportion of the expense incurred under this Act.

Right Hon. Mr. MEIGHEN: Oh, yes, a very small part. That is intended to come out of the Consolidated Revenue Fund.

Right Hon. Mr. GRAHAM: The reason I mention this is that it seems to me that the two principles on which our trade must depend are these: first the low cost of production, and second the superiority of the product. If this Board is going to collect money in order to create reserves and assist those who lose by reason of depreciated currency, the cost of production is going to be increased. If the money is coming out of the Consolidated Revenue Fund—and I would not advocate that; I am not wedded to it at all—it would not so directly affect the cost of production. But we must remember that every avenue that we open to these boards for the expenditure of money that must be taken from the producers will cause a disadvantage to our producers in the markets of the world by increasing the cost of production.

Hon. Mr. SINCLAIR: In view of the statement that very little comes out of the Consolidated Fund to defray the expenses of the Act, I would point out that in paragraph e the Board is given power:

To assist by grant or loan the construction or operation of facilities for preserving, processing, storing or conditioning the regulated product and to assist research work relating to the marketing of such product.

It would seem to me that if the expense of research work is to be provided out of tolls and money collected from the regulated product—

Right Hon. Mr. MEIGHEN: That may be; but initially, I should think, there would have to be a vote.

Hon. Mr. SINCLAIR: I think it should be made clear that the research work is to be carried on with moneys provided out of the Consolidated Revenue Fund. After all, we have a Research Council, research laboratories, and facilities for carrying on any line of research work, particularly in relation to agriculture, and our existing facilities could without difficulty be made available to the Board. I do think that when we are giving the Board power to make collections by tolls on the product, we should not include research work among the things that are payable for out of those tolls.

Right Hon. Mr. MEIGHEN: I think Parliament may safely leave this section as it is for the time being. Later on we shall see by whatever system of accounting is adopted just how matters are working out. Simply interpreting the language here, I should say that the moneys appropriated by Parliament for the Board could be used for the purposes specified in paragraph d; also that the Board would have power, which the honourable gentleman thinks it should not have, to assess against the regulated product costs for assisting in the activities mentioned in paragraph e, including research. I do not see how any research could be required other than that already provided by the existing organization. We all know that the organization of the Research Council is sufficiently elaborate and pretty expensive, and I think there is no thought of setting up a competing organization under this Board. I suppose any special research work done by the Council is charged against the department in whose interest it is done.

Hon. Mr. SINCLAIR: In connection with agriculture, extensive research facilities are provided at the experimental farms and carried on under direct grants to the department.