

to control immigration and trade policies, then it must also assume responsibility for unemployment. In the past the provinces and municipalities have had no chance to get back any of the money they spent to relieve unemployment. The city of Winnipeg, from which I come, carries a debt of approximately \$5 million or \$6 million by reason of having had to support its unemployed. I do not say that the municipality should not help to support these people, but I do say that Canada generally should be carrying its fair share of that load. I am pleased to see \$1,500,000 set aside for this purpose; it indicates that the federal government is assuming some responsibility.

I am pleased to note an item to provide full sessional indemnity for those members of this house who were absent during the 1949 sessions by reason of illness. Similar provision is made for members of the House of Commons.

I turn now to item 592, which I do not criticize at all. It is a queer old world we are living in. We heard the honourable member from Cariboo (Hon. Mr. Turgeon) yesterday suggest a conference with Russia. I admire his optimism; but if he believes that such a thing is possible, I cannot say the same of his judgment. To my mind, it is absolutely impossible. Within the next two years we will either have to achieve peace or fight another war, and we might as well face it. Now we are spending huge sums of money to prepare ourselves for war, and I am not going to vote against such an expenditure.

I should like to know whether all the flax has yet been sold.

**Hon. Mr. Robertson:** My information is that it is being sold.

**Hon. Mr. Haig:** Then we will have a similar item in the estimates next year.

**Hon. Mr. Beaubien:** To what item does my friend refer?

**Hon. Mr. Haig:** I am dealing now with items 611, 612 and 613. As to the rapeseed account, I did not know about it.

This all brings back to my mind an earlier debate. I presume that if I were a member of the House of Commons, and had to go back to my people for re-election, I would not say what I am about to say now; I predict that five years from now the members of the other house will be taking the same stand which I now take, namely, that you cannot buck the laws of economics. When we decide to take over the surplus of flax and hold it, we are going to lose money. When we take over wheat or any other commodity, in large quantities at a fixed price, as the government has

been doing, we are going to lose everything we have in it. It is easy enough to control wheat when the world price is \$2.50 a bushel, and we pay the farmer \$1.55, or when he gets \$1.75 a bushel and the world price is \$3.35. That is called stabilization. You can stabilize any commodity as long as you get far enough below the world price. In 1946 the price the farmers received was 89 cents a bushel less than the world price; in 1947, \$1.33 less, last year 21 cents less, and this year, I believe it will be 20 cents less. But when the government tries to stabilize flax by buying it at \$4 a bushel, that is a horse of a slightly different colour. Today we can buy butter, for instance, at 58½ cents a pound; but the government is carrying 27 million pounds, and is going to suffer a big loss on it. With a little more oleomargarine we would have lost everything. I am sorry my honourable friend from Waterloo (Hon. Mr. Euler) is not here.

The government has been trying to violate economic laws, and we see what the results have been. By no conniving can they get away from these laws. Perhaps it is all right to say to the people of Canada that they must pay \$2.00 a bushel for wheat to be made into flour, but to buy up surplus wheat is an entirely different matter.

Some people may ask me: What about the International Wheat Agreement? My answer is that we cannot make Great Britain buy wheat when she has not got the money to pay for it. The same is true of all the European countries that cannot afford to pay for our wheat. Just the other day Japan sent into Canada some shirts at about \$1.40 each.

**Hon. Mr. Grant:** \$1.35.

**Hon. Mr. Haig:** I stand corrected for five cents. These were ordinary shirts, which regularly sell in Canada for about \$4.50. Now, I do not blame the shirt manufacturers for kicking; but how are we going to trade on a world basis unless we are willing to accept goods from other countries? Some honourable gentlemen may say to me: "You are a Conservative; that is a funny doctrine to preach". Well, I come from a part of the country where such a doctrine is vital. Mr. Hannam says that we should have stabilized prices. Well, the United States have stabilized prices, but what is that country doing? Just the other day a committee of the House of Representatives voted \$1,900,000,000 instead of \$2,900,000,000, and gave away a billion dollars worth of goods. What happens to us when they do that?

**Hon. Mr. Lambert:** What is the answer, may I ask?

**Hon. Mr. Haig:** Leave the economic laws alone. My friend is one of those who was in