

ties of timber in the month of September it would have been 1934 before we could have put that timber into the British market. Now I say to him in all sincerity that if he will see to it that an order is given for some fifty or a hundred or two hundred million feet right now, we will guarantee that from the lower ports of the province of Quebec, from the Baie des Chaleurs and from the Miramichi, this timber will be furnished to the British market before September of next year, 1933.

Now what is the solution?—because I think there is a solution. I do not condemn these agreements as wholly bad or wholly useless. I do believe that this matter can be worked out. I had thought of suggesting both to this government and the government of the province of Quebec that jointly they work out some bonus system or a system of payment of freight charges, but in spite of the fact that this government does not consider it wrong in principle to gamble on the wheat exchange, I think it would be wrong in principle to grant bonuses to the lumber industry, not only on account of the extreme costs, but because there is no more justification for a bonus to the lumber industry than there is to any other industry. The latest quotation I was able to obtain last week—I am speaking now only of eastern Canadian softwoods; I am not referring in any way to British Columbia—for spruce at Miramichi, Baie des Chaleurs, Matane or Rimouski, is \$12.25, in our money, for one thousand feet. Anyone familiar with the lumber trade knows that in order to get approximately one million feet of deals, which is the kind of lumber we ship to the British market, it would be necessary to cut almost two million feet of logs, and the balance, the extra million feet, would be what is called the low end, and would be sold on the market at a considerably lower price. So taking \$12.25 to \$12.50 as the price per one thousand feet of deals, the average price at the mill would be below the cost of production, and I might almost say that even with the low wages that prevail today it would be below the replacement cost also. I am informed on good authority, the hon. member for Beauce, who is not in his seat at the moment, tells me, that in the Baie des Chaleurs he requires \$18 per one thousand feet in order to come out even, while others tell me that \$17 would be sufficient. Be that as it may, the spread between present prices, which represent an absolute loss, and the prospect of a profit, is somewhere between \$5 and \$6. To grant a bonus of \$5 or \$6 per thousand would, I think, be beyond the

capacity to pay of either this government or the provincial government or of the two combined. I will probably be told that during the past summer months considerable quantities of timber and lumber were shipped from the lower ports. I understand that Price Brothers and Company shipped from the lower Quebec ports something like 15,000,000 to 20,000,000 feet and the Fraser Companies Limited something like 8,000,000 to 10,000,000 feet. But at the time the contracts for this timber were made the pound sterling was at about \$4.30, and the price offered to Canadian exporters was somewhat higher than that offered at the present time. Today, with the pound at approximately \$3.71, and the price much lower, we are in the position I have just indicated.

I am about to make a suggestion, but in doing so I wish to be distinctly understood that it is a purely personal one. The persons whom I represented at the conference are probably as great worshippers at the shrine of sound money as is the Prime Minister; therefore I do not wish them in any way to be involved in anything I have to say. I suggest to the right hon. gentleman opposite and the members of the government that today there is only one way out for the lumber trade. We cannot wait three years, because if we have to wait that long there will be no lumbermen; they will have gone into bankruptcy, or the bankers will be in the trade. There is no way out for the lumber trade unless we bring our dollar to a parity with the pound. We cannot sell our timber on the British market unless the pound stands at something like \$4.86. I know of no other solution, and I offer it in all sincerity. Probably my suggestion is contrary to the political beliefs of many people in my native province, but I am firmly convinced that there is no other salvation and no solution except for the government to continue the course of inflation which it began last month.

Mr. STEVENS: Mr. Chairman, I am sure I should be exceedingly unwise to enter into a discussion of what might or might not have been done. The fact is that we have before us an agreement between the United Kingdom and ourselves containing certain provisions regarding timber. While it is quite true the competition of the countries named by the hon. member, namely, Norway, Sweden and Latvia, is very keen, I may point out that prior to the unusual competition brought about by the Russian soviet system, Canada was able successfully to compete in