

what they liked with the market for rubber and decided to curtail production. They did so; they enhanced the price for the time being, but whereas at the beginning of the period they were producing seventy-five per cent of the world's rubber, by 1928 they were producing only forty-eight per cent. The control of the world's rubber market passed out of their hands; the Dutch production rose from sixteen to thirty-four per cent of the world's total. Then the British in alarm again threw themselves into the production of rubber in an effort to regain control of the world's market, and there resulted an over-production in 1928, 1929 and 1930 which caused the greatest glut of rubber in the world's history and ruined plantations all over the world. That is only one example. The same thing happened with regard to coffee in Brazil.

I want to read from a speech of Professor Drummond before the Canadian Political Science Association, found on page 127 of the proceedings of the 1933 meeting. I read at page 130:

The Stevenson plan is illustrative of the doubtful wisdom of trying to raise prices by the simple expedient of reducing exports. Substantially similar if not more serious results have followed the adoption of the same principle when applied to the marketing of Brazilian coffee. The chief differences seem to be that in the case of coffee government restriction, instead of raising prices, has finally so reduced them and incidentally reduced the governments to such a degree of financial embarrassment that they are now forced to make the best of a very bad job by carrying out monthly a policy of positive wholesale destruction.

Then on this continent we have had instance after instance of attempts to curtail production by withholding goods from the markets. I am not well versed in the operation of the wheat pools in the west, but I have always understood that their plan of withholding wheat from the markets worked out disastrously. I am subject to the judgment of the western members when I say that, but I have always understood that this attempt to take the world by the throat did not work. Following as well as I can the proceedings of the banking and commerce committee, I do not think that the plan followed since of buying wheat and holding it and the government attempting to support the market has been a conspicuous success. I understand that this government are committed to somewhere around \$130,000,000 on guarantees for wheat; that they have an enormous quantity of wheat which they dare not put on the market because it would break the market and that if they could get out at present prices the loss would be only between \$12,000,000 and \$20,000,000;

but they cannot get out because of the impossibility of putting the wheat on the market without disastrous consequences. The same thing happened in the United States under the Hoover regime; they attempted to purchase wheat on a large scale and keep it off the market in order to hold the price up. The election literature in the United States shows clearly what the people of the United States thought of that. They gave up the scheme because it worked as the curtailment of production and the withholding of products from the market always works. They may succeed at the outset, but in the end they prove disastrous; it is a case as Professor Drummond suggests of winning a battle but losing the war. That is one principle of this bill, the power to regulate quantity, which I think is essentially wrong.

Coupled with that provision are the provisions for compensation. This goes to the very vitals of the act:

(c) to compensate any person for loss sustained by exporting, storing or withholding from the market any product pursuant to any determination or order of the board;

I want to give a little picture of how that would work in the apple industry. To make it very concrete and specific, take the variety known as the Ben Davis, not a very high quality apple but one with a good appearance, and produced in Canada in large quantities. The season for marketing, roughly, is from October 15 to March 15. Let us assume that this federation of marketing boards decides to regulate the marketing of Ben Davis apples. First they must find out how many Ben Davis apples there are likely to be in Canada during the season, and they can only do this by sending a small army of investigators around the country, who will go into the orchards, the warehouses and wherever these apples may be graded or stored. They will have to make estimates of the quantity and the quality, that is to say the pack out, so as to estimate the number of barrels of particular grades there will be. They will decide, possibly, that the number is too large to go on the foreign market, that some of the apples should be kept off that market. Then the question comes up of who are to ship, who are to get in the class of persons who ship to that market. They will have to allot quotas to the shippers, and there are so many thousands of small shippers that inevitably there will be a great deal of injustice. The board also will have to say that so many apples will go forward this week, so many, next week and so many the following week during the period from October 15 in the fall