

situation. What that board did last year it would do again: It would look over the situation, it would exercise its judgment and it would set such an initial payment as, in the best exercise of its judgment, it thought would not submit it to ultimate loss. There is always a contingency. My hon. friend starts out into a business venture. He does not know whether he will live to complete it or not but he tries it and takes the contingency. There is a contingency in every business that we start, and to a certain extent the Government does incur some responsibility. It is willing to incur something as a responsibility rather than to have the great primary product of wheat depressed in its value so that the country does not get what really the fruitful earth gives to it as its heritage.

Mr. MACLEAN (South York): From the conversational discussion which has taken place it is quite evident to me, although we never could get it admitted, that it is the country that is advancing the money, not even the banks, and it is by reason of national notes and the credit of Canada that even the banks have the means and the wherewithal to finance these propositions. I notice that is very frequently ignored in all the financial arrangements of this country and is hardly ever admitted in Parliament—in other words that the money for carrying on the business of this country, especially since the war began, is not so much through what the banks have of their own as it is through the additional issue of bank notes, or rather of national notes on the credit of the country, that so enormous a proposition as the handling of the Canadian wheat crop is carried.

Mr. HENDERS: I do not think there need be very much fear of sustaining loss in connection with the handling of the crop if the method that obtained last year is pursued. As was intimated by the minister, before the initial price or advance is fixed, due consideration is given to the matter. The board will see to it that they make an initial advance that will leave them perfectly safe with the reasonable expectation that they will be below the price expected to be obtained for the wheat rather than above, so that the Government is perfectly safe in the hands of the board acting so prudently. I remember very well that last year there was a conference held at which there was a general discussion of this matter and people generally felt

that with the initial advance in such a position the farmers would be given all that we could reasonably afford to give them and they might pay their indebtedness as it came about, always bearing in mind the fact that the Government must safeguard itself from the possibility of loss in the future. No doubt equally satisfactory results will be obtained this year if the same course is pursued. There is another point I wish to emphasize and it is the suggestion made a few minutes ago about getting the policy fixed definitely, or at as early a date as possible. If there was any failure at all in connection with the crop last year it resulted from attempting to do the impossible, and I would like to sound a note of warning that this year no attempt along that line should be made. It would be far better and safer for all concerned, if the Government sees its way clear to do so, to say right at the beginning "We hold the control of the wheat for the next year" rather than attempt to experiment and have to retrace its steps later. I am sure that with the experience of last year before the Government it will be very careful along that line this year.

Mr. MAHARG: The minister tells us that the losses the Government had to make good last year were very small. Can he tell us to whom those losses were paid? Was any portion paid to the actual original buyers of the wheat from the producers, or were the losses paid wholly to the speculative element that buys second-hand?

Sir GEORGE FOSTER: I have not that information at hand. I have ordered it to be ready for presentation when the item in the Supplementary Estimates is brought before the House. It is only actual money losses that were made good.

Mr. MAHARG: I quite agree that that is the case; but those losses might have been incurred by some men who had never bought a bushel of wheat in their lives; it was simply paper they were dealing with. We know of instances where the real purchases of wheat brought in for sale to the elevator companies have been exceeded eight or ten times by the purchases on the market. Probably a million bushels of wheat would be actually thrown on the market, but the trading for that day showed that millions and millions of bushels were dealt with. This is what I am objecting to. I do not object if the minister can confine the benefit to the actual gatherers of grain in the country, whether they be purchasers by carload or by wagonload; but