

minister and says: "You have increased this loss." What an absurdity! If it reduced the amount guaranteed by the government for the cooperative wheat producers it correspondingly increased the wheat board's own account, or vice versa. But the loss to the government in the final analysis does not alter one cent. My right hon. friend knows this, and no one knows it better than he does.

Mr. BENNETT: That is not so. That is exactly the opposite to what I am trying to make clear.

Mr. CRERAR: My right hon. friend certainly has not succeeded in making himself very clear to the committee.

Mr. BENNETT: Oh, the committee is all right.

Mr. CRERAR: Let us go a step further. My right hon. friend has criticized in this house the policy followed by the present wheat board and initiated by this government. Now—

An hon. MEMBER: Louder.

Mr. CRERAR: I think the committee can hear me. What was that policy? When we came into office we found ourselves with over 200,000,000 bushels of wheat in the hands of cooperative wheat producers, upon which wheat the government had given a guarantee. As a matter of fact, the carry-over on the 1935 crop at the first of August was over 214,000,000 bushels. On top of that we had the crop produced in 1935. If my right hon. friend had been in office and this business had been under his direction during the last seven months the probability is that we would still have the 200,000,000 or 225,000,000 bushels of wheat. Why? Because whenever the market went up he or rather Mr. McFarland would have raised his price still higher. That is precisely the policy that was followed in the past, and the facts prove it. That is the reason the wheat was not sold. Furthermore, why does this loss amount to the figure mentioned here?

I will give my right hon. friend and the committee some further information on that. He takes the price in May, 1935, and he says that May wheat on May 31, 1935, was 79 and some fraction cents. Then he says, "Why do you fix it at 84½ cents?" But the carrying charges account for the difference in that period alone—more than that. But—

Mr. BENNETT: Not one-thirteenth of a cent a bushel.

Mr. CRERAR: With interest and insurance on top of that. But in addition, if I

remember correctly, the price for wheat was fixed on September 6 at 87½ cents. Now, will my right hon. friend tell us why his government and why Mr. McFarland, the then chairman of the wheat board, and at the same time manager of the Canadian Cooperative Wheat Producers Limited, acting in a dual capacity—

Mr. BENNETT: He had retired from that.

Mr. CRERAR: No; he was still manager of the Canadian Cooperative Wheat Producers Limited after he was appointed chairman of the wheat board.

Mr. BENNETT: He says not.

Mr. CRERAR: Well he was, and—

Mr. ROSS (Moose Jaw): How did he handle any wheat?

Mr. CRERAR: That leads to another point. Why did Mr. McFarland in his capacity as manager of the Cooperative Wheat Producers Limited, on a bank account guaranteed by the government of which my right hon. friend was the head, buy over 10,000,000 bushels of wheat in the market, in the wheat pit in Winnipeg, at a price above 87½ cents, after the price was fixed?

Mr. BENNETT: The answer is obvious. It was given the other day.

Mr. CRERAR: Yes, the answer is obvious. The only reason he did it was that he thought wheat was going up in price, and I assume my right hon. friend supported him in that view, because he probably thought wheat was going to a dollar a bushel.

Mr. BENNETT: Did he? Well, he did not. He did not, because an effort was made to fix the price at a dollar, and it failed.

Mr. CRERAR: The price was fixed at 87½ cents, and after it was fixed at that price why did Mr. McFarland buy 10,000,000 more bushels at a price as high as 94 cents, not from the farmers, but right in the pit in Winnipeg? He bought the future months; why did he do so?

Mr. BENNETT: He sold it, at any rate.

Mr. CRERAR: Was it necessary, after the price was fixed at 87½ cents to stabilize the market, by buying wheat at as high as 94 cents a bushel?

Mr. BENNETT: Of course Mr. McFarland was ill and could not attend to give the evidence for himself; I do not know.

Mr. CRERAR: But there are the facts.