

The Address—Mr. Argue

blast a way into the markets of the world was better than the policy the minister is now following, of doing his best to blast his way out of the markets of the world as quickly as he can.

Then, too, I noticed that the interjections by the hon. member for Winnipeg North Centre (Mr. Knowles) yesterday with respect to the McGregor report were not answered by the minister. If on June 27 the people of Canada had known that the Minister of Justice (Mr. Garson) had broken the law, and that he was aided and abetted by the Minister of Trade and Commerce (Mr. Howe); if they had known that after the McGregor report was tabled nothing would be done about the alleged combine in the flour-milling industry and that because nothing was done the commissioner would resign; then I say the result would have been very different indeed.

The Minister of Justice and the Minister of Trade and Commerce were successful in keeping the McGregor report buried for some ten months, breaking the law of this country. The Minister of Trade and Commerce and the Minister of Agriculture were equally successful in keeping from the farmers information as to the financial position of the wheat board. Through statements made by the Minister of Agriculture on many occasions in the past the farmers were led to believe that the wheat board, making a payment of 20 cents a bushel in the spring of 1949, would make that payment out of a surplus on hand. Yesterday the minister built a great part of his case around resolutions he had received in November and December of 1948 and January of 1949 asking that a 20-cent payment be made. Why did he receive those requests? Because in the House of Commons on February 27, 1948, he said he felt there was no doubt in the world that at least another 20 cents per bushel would be paid on wheat in 1949. On November 13 last, according to the *Leader-Post*, speaking to the wheat pool convention in the province of Saskatchewan, the minister said the wheat board would be in a position to make an additional payment, probably 20 cents a bushel. After that announcement was made municipalities in the drought area passed resolutions saying to the minister, "If the wheat board is making a payment, as you say it is going to, then we want our payments first, because our farmers are in financial need."

Reading a lecture to the hon. member for Souris (Mr. Ross) the minister said it would be most unwise to pay out an additional 40 cents a bushel at that time because, he said, that would put a great strain on the resources of the wheat board. Let me quote his words, at page 1719 of *Hansard* for February 27, 1948:

We would have to go back to the bank and borrow money and pay interest on it, and the farmers of western Canada are not asking us at the present time to go to the bank and borrow money and charge the interest up to them and pay them another 20 cents over and above the possible 20 cents we may pay under this legislation.

He told the farmers of Canada and the members of this house that the government would not instruct the wheat board to pay 20 cents a bushel if as a result the wheat board would have to go to the bank to borrow the money. So the farmers naturally assumed last year, when the 20-cent payment was made, that the wheat board had sufficient funds on hand without going to the banks.

It has been stated in this house on a number of occasions already that the wheat board ended its fiscal year on July 31, 1949, with a deficit of more than \$5 million, and that at the time they owed the banks more than \$23 million. At that date the wheat board was completely bankrupt; its liabilities exceeded its assets by more than \$5 million. When the board went to the banks to borrow money it had to pay an interest rate of three per cent compounded monthly; but this generous, benevolent government that looks after the funds of the farmers so well pays the wheat board five-eighths of one per cent on any money the board invests in treasury bills.

Yesterday the minister said the wheat board is borrowing money every year to handle the new crop. Of course it has to borrow money; that is not what we were objecting to at all. Let us take a look at the financial position of the wheat board on July 31, 1949, as compared with its financial position on July 31, 1948. According to the consolidated balance sheet, last year the board had on deposit in the banks just a little more than \$4,000 and owed the banks almost \$24 million. The previous year the board did not owe the banks anything; the banks owed the wheat board more than \$57 million, because the board had that amount on deposit, and the federal government owed the wheat board \$50 million by way of treasury bills, making the total cash reserves of the board \$107 million as of July 31, 1948. But on July 31, 1949, its cash reserves were \$23 million less than nothing.

Why was that policy followed? The government knows, as we all know, that on the price of wheat a government stands or falls in the province of Saskatchewan. So they said, "We will pay the farmers 20 cents a bushel; we will lead them to believe there is another 20 cents a bushel coming, and we know they will vote for the Liberal party." But farmers are really going to be up in arms now, when they find that the best they can hope for when the five-year period is over, unless Britain