

took two-thirds of the sales and appropriated them against that. What is the warrant for that course? Remember the guarantee of this country was a guarantee only against ultimate liability. What right had he to do that? What right has anybody to do it? This country had given this guarantee; it was outstanding, there it was, against ultimate loss—a guarantee against ultimate loss which could be ascertained only upon a liquidation of the security. Suppose an individual in this house gave a guarantee in those terms, what would he say to the bank? "Realize. You must realize before you can come to me. I gave my guarantee against ultimate loss." Then there must be the realization of the security, not on a price fixed of 84 cents when it is still on a market of rising prices going up to 88 cents or 90 cents, which would have shown either no loss or a practically insignificant loss. But in spite of this rising market, Murray wants to take that property over by strong arm methods, and we know the methods he used for the purpose of getting it, when on the Monday he commenced operations the price was rising to 88 cents and had gone to 90 cents.

I say that the introduction of this item estimate is worse than trimming; it is an effort on the part of Murray to make it appear that the losses of the producers were great and that his are not—nothing short of that. Go and tell the pool in western Canada that for the purpose of accomplishing this end, that is what was done: The price on December 2 was 84½ cents; on the succeeding Monday it was 88 cents, but the parliament of Canada is asked to pass an appropriation of \$15,000,000 for a loss which would not have been a loss if the price had been a little over 90 cents—and it went to 90 cents. It sounds good. It is political propaganda. That is what I mean by "trimming" this account. It is an effort by Murray to repeat the same old story, and had it not been that the wheat was put up by direction of the government to be sold in the markets of the world regardless of what it had cost, this would not have happened, as was pointed out by dealers at Rotterdam and other markets of the world. Not in my time in parliament have I known a parliament that would lend itself to a transaction which permitted its servant to take possession of wheat by force, by the strong arm, and then fix the price at 84½ cents, when on the succeeding Monday it had risen to four cents better than that; it did go to over 90 cents, which, on 200,000,000 bushels at 6 cents a bushel, would have reduced the loss by \$12,000,000 and left it at the small amount of \$3,000,000.

Mr. CRERAR: Reduced the loss where?

[Mr. Bennett.]

Mr. BENNETT: Reduced the loss just as it has been done here; reduced it on the paper loss that is in this estimate. This estimate would have been \$3,000,000, not \$15,000,000.

Mr. CRERAR: Does my right hon. friend contend that in the final analysis the loss to the government would have been less?

Mr. BENNETT: If the product had been sold for the price indicated. That is the point exactly. Here is Murray getting hold of this; he says the price is 84½ cents and, because that represents a loss of \$15,000,000, he wants the Dominion of Canada to pay that loss, although at one time there was a profit of \$39,000,000. But the wheat is not yet sold; until there is a realization of the security there is no ultimate loss, and there being no ultimate loss there is no liability. Until such time as that liability has been determined by the sale of the security there is no knowledge of what it will be. Yet the government of the day is lending itself—and I use the word advisedly—to the scheme of Murray to make a loss of \$15,000,000 based on the figure of 84½ cents, when a few days later the figure was 88½ cents and later 90 cents.

Mr. DUNNING: And later still?

Mr. ROSS (Moose Jaw): Later still, 70 cents.

Mr. McLEAN (Melfort): And before it was a dollar a bushel.

Mr. BENNETT: That illustrates better than any words I can use just what I have been trying to say to this committee, that to determine a loss before there has been liquidation is a violation of any known rule of conduct that governs in private enterprise, and I cannot see why it should be departed from in a government. There is no such thing as a determination of a loss until there has been a liquidation, and the security, in the case of a private individual, would of course have to be realized upon before the loss was determined. And yet we find the government doing this, for what purpose? What purpose is served by it? Fixing the loss upon an anticipated price, and the minister saying it is going to be larger still, when there has been no liquidation of the security. Go and tell the business men of this country that you put an estimate through parliament to try to show that the late government, or those who operated on its behalf, had incurred a loss of \$15,000,000 because they took the grain over at these figures, and ask them what they think about the item as dealing with a transaction in which ordinary business