this arrangement, in order to raise this point if Mr. McGregor, who was much more closely in touch with it as enforcement officer, did not do so.

I respect my hon. friend's opinion for what it is worth, and I will give him mine. The hon. member says if the milling industry had raised these points with Mr. McGregor, then the report would not have been made, and the present difficulty would not have arisen. Perhaps there is some element of justice in his observation; but remember that when the law moves in on a man he is not likely to be in a very communicative frame of mind. That is especially so when, as before the war, there was some foundation for thinking that all the practices of the industry might not have been absolutely regular, and when, even during that same period, there were questionable communications being exchanged—something which we all have to face, even the government. In a case of this kind the man who is being investigated is more than likely to say: I had better sit tight and see what happens.

The hon. member has presented his hypothesis. Let me put one. I suggest if Mr. McGregor, who worked as enforcement officer on the recommendation of Mr. Gordon and under Mr. Gordon and the wartime prices and trade board, at any stage in the production of the report had had one single conversation with Mr. Gordon as to Mr. McGregor's theory that there should be unlimited competition below the ceiling price, then I certainly think there would have been no report. That is one of two or three different things about this question that I cannot understand.

Mr. Drew: We are in the same boat there.

Mr. Garson: I hope I am not lacking in frankness in these matters. I will admit it seems inexplicable. I do not understand why a man who had worked as an enforcement officer of the wartime prices and trade board under the chairmanship of Mr. Gordon would undertake, at different points in the report, to state what was the policy of that board, and to put an interpretation upon that policy, affecting the milling industry, upon which the whole report is largely based, without at any time even having a single conversation with Mr. Gordon, who had been chairman of the board.

Mr. Coldwell: Let us take one or two of these points. First of all the minister said—

Mr. Garson: I am afraid we are being discourteous to the leader of the opposition.

Mr. Coldwell: With his permission, I would just say this. In the first place, the minister has made a great deal of the combines investigator moving in on the business. But that was not for the purpose of prosecution; that was for the purpose of investigation. If they could give a reasonable explanation, there would be no prosecution, so they would have nothing to fear.

In the second place, we all knew Mr. Ilsley in this house and the meticulous care with which he examined every detail. To my mind it is most extraordinary that Mr. Ilsley, who was a party to or had knowledge of the memorandum to which I referred, and who was minister during a major portion of the time the investigation was proceeding, almost one year, would not have raised this point with Mr. McGregor and stopped the investigation.

With regard to the financial advantage the minister has claimed for the government with respect to this memorandum, what do the millers themselves say? If we look at page 111 of the report we find this:

> Another representative wrote in 1945 that he recognized that "no agreement has ever worked one hundred per cent, but" he added, "by working seventy-five per cent it means a lot of extra dollars in the treasury."

That is their treasury, incidentally.

> In oral evidence he stated that this was his estimate of successful operation in 1945 in the west. On being questioned he conceded that conditions had been better in this respect in 1946, and better still in 1947 (evidence, pages 531-2). The effectiveness of the agreement on prices of one product, rolled oats, was estimated by the head of another company in 1938, not in percentages but in dollars and cents, when he wrote that ". . . the rolled oats conference has made us real money during the past five or six years. We estimate it has been worth $75,000 to $100,000 a year more than we got during the preceding years . . ."

Mr. Garson: I think it is only fair that I should interrupt right away, because by reading these extracts my hon. friend, unwittingly, is going to convey quite a wrong impression to hon. members. If before the war there were price fixing agreements, obviously they would be to the benefit of the treasury of the milling companies. But when this profit control arrangement was in effect, the milling companies could have had price fixing agreements until they were black in the face and they could not have made a penny by them, because anything they made would go back to the government in excess profits.

Mr. Coldwell: Then why did they try to get price fixing arrangements, if such arrangements would not inure to their benefit?

Mr. Garson: I am not saying they did, but a conceivable reason why they might do so, and why perhaps they did so, would be this. As I explained to my hon. friend, the price structure which was frozen by this government order was highly complicated in the