

all as to the correctness of the course pursued. The new body created was taking over this wheat from a formerly constituted body. Some basis had to be arranged for the transaction.

Mr. BENNETT: And there was; they assumed the liability to the bank. That is what happened. That is all there was about it.

Mr. DUNNING: And between the liability to the bank and the value of the wheat on the day they took it over, there was a difference of \$15,800,000.

Mr. BENNETT: Certainly.

Mr. DUNNING: Now, is that clear? My right hon. friend might have some complaint if between then and now, or at any time in the future there was any prospect at all that it would appear that some abnormally low point was taken for some ulterior purpose.

Mr. BENNETT: The moment you concede that your case is gone.

Mr. DUNNING: I do not agree that my case is gone.

Mr. BENNETT: As a matter of logic it is.

Mr. DUNNING: I am in the judgment of members of this committee and I shall be in the judgment of future sessions of this parliament with respect to the matter. I have advised the people of Canada, advice which they had never previously received, that as of a certain date they had a loss in connection with this transaction—

Mr. BENNETT: They once had a profit.

Mr. DUNNING: I admit at once that if the new Wheat Board Act had provided otherwise than it did with respect to the 1936 crop then we would have had to follow a different course, but with respect to the new crop the Wheat Board Act is quite clear, that if a profit is made the farmers are entitled to it through the medium of participation certificates, but a profit on that one crop only, not with respect to the previous crops which formed part of the wheat taken over by the wheat producers.

Mr. BENNETT: That is quite clear.

Mr. DUNNING: Quite clear and quite true. In the meantime further disposal is taking place of the crops prior to that of 1935. There is no doubt at all that further losses will result; my right hon. friend knows it. I desire to show the losses as nearly as possible in the year in which they occur, and to charge them to that year in the accounts of the country. By my right hon. friend's method we would never be admitting a loss until heaven

knows when, and then we would have to tell the country it had lost a great deal more than we now state, and provide for it now. In some one fiscal year—

Mr. BENNETT: That is exactly the opposite of what I said.

Mr. DUNNING: —instead of having the loss spread with some approximation over the years to which it applies. My right hon. friend has been lecturing me on my lack of wisdom and business judgment and that sort of thing. I have as much right to my opinion as to what constitutes good business as he has, and I think he would have been wiser had he made an approximation of the loss year by year as the years proceeded from 1930 to 1935.

Mr. BENNETT: When? In the middle of the year?

Mr. DUNNING: If he had turned over the wheat to another organization I would expect those responsible for the conduct of that other organization to insist on some valuation with respect to the property they were taking over. I would not like to try to sell to my right hon. friend the kind of pig in a poke which he suggests the new board should have taken over from the old Canadian wheat producers. I would not have a chance in the world.

Mr. BENNETT: On the contrary, Mr. Murray said that he would apply the sales on the basis of two-thirds and one-third.

Mr. DUNNING: Exactly; he had to have some basis.

Mr. BENNETT: Precisely.

Some hon. MEMBERS: One o'clock.

Mr. DUNNING: Can we not pass this item?

Mr. BENNETT: No, not by a long way. Progress reported.

#### SUPPLY—CONCURRENCE

Hon. CHARLES A. DUNNING (Minister of Finance) moved:

That the resolutions passed this day be now read a second time and concurred in.

Motion agreed to.

On motion of Mr. Mackenzie King the house adjourned at 1.20 a.m. (Tuesday).