

ernment thought it was only right that we should recoup traders for actual losses, not for speculative gains or anything of that kind, but simply for actual out-of-pocket losses. A small item is in the Estimates to provide for this settlement. So, in part, the provision which is sought to be made covers and carries on operations. Those were actually did occur.

Mr. ROBB: There is an item in the Estimates to recoup those who made losses last year?

Sir GEORGE FOSTER: Yes.

Mr. ROBB: That would have a sort of retroactive effect.

Sir GEORGE FOSTER: No, it has no retroactive feature.

Mr. ROBB: As my hon. friend is cleaning up certain losses that were made last year, would I be in order in inquiring how adjustments were made of the transaction in 1914 or 1915 when my hon. friend commanded some 12,000,000 or 15,000,000 bushels of wheat, to satisfy a contract that was made with Italy or Greece?

Sir GEORGE FOSTER: I think that would be decidedly retroactive. I have not the information in that respect before me.

Mr. MAHARG: I understand that the present wheat board continues to August 31st of this year.

Sir GEORGE FOSTER: About the end of August.

Mr. MAHARG: It then goes out of existence automatically, and it will be for the Government to decide whether the exchanges are to be opened or not?

Sir GEORGE FOSTER: Yes if the board is called into existence by the Government next year it will be for the board to decide whether the exchanges should be opened or not, but if we simply have enabling legislation providing for a board of twelve, and that legislation is not brought into effect, it will be for the Government, maybe in association with the present board, to say whether operations may take place on the exchanges, if the trade is de-controlled. Due and early notice will be given.

Mr. MAHARG: If the present board goes out of existence and the Government allows the exchanges to open, if contracts are made for millions of bushels of grain, and the market acts as it did last year and prices go up and the Government gets scared as

to the results, it will close the grain exchanges. Then, if I understand the proposed addition to this clause, any dealers who have made losses will be recouped from the proceeds of the sale of wheat that has come under Government control. In other words, the producers will be charged to recoup the losses any dealers may have made in high speculation.

Sir GEORGE FOSTER: Yes.

Mr. MAHARG: Then I object most strongly, and I am not prepared to let the clause pass without considerable time being taken for further discussion.

Mr. MEIGHEN: The hon. member as a supporter of the legislation is hardly fair in saying that last year the Government got scared. He intimated that the Government was afraid of high prices for wheat, and consequently stepped in when the exchanges opened. The hon. member knows that those were not the circumstances at all. The circumstances were these: After the Government had decided last year that we were in a position to go back to normal trading, and after trading was in operation, it transpired that by reason of the attitude of overseas governments and because of overseas control, associated with the fact of American control, no orders were coming for our wheat. Consequently, no banking facilities were available. Consequently, no wheat was going to move. As a result it appeared that the wheat was going to stack back in the West, and that the whole season of navigation would be lost on that account. On that account alone the Government stepped in—not because of any apprehensions as to the price of wheat going up. Indeed, we had the matter under consideration before the grain exchanges opened, but we could not get far enough to decide not to let them open. The advance of wheat on the exchange had not one whit to do with the Government's decision, and I think my hon. friend's intimacy with the facts and circumstances ought to have prevented his giving that impression by his statement. It was merely the fact, as I have stated over and over again, that the situation in Europe, the market for our wheat was such that no orders were coming and no finances were available to move the wheat. Not only the bankers but the railway companies made it clear to us that something had to be done or our wheat was not going to move. Those were the only circumstances that moved the Government to act.

[Sir George Foster.]