

titled to know something about who is making these recommendations to the Government over and above the heads of those who are elected to look after the interests of the people in Parliament. Western Ontario has received absolutely no consideration from this board and I for one would like to see this business return to ordinary channels and again become governed by the laws of supply and demand. We do not want to have dictators doing things which were done last year and which hampered Western Ontario as no other one thing has done, unless it was the Board of Commerce, which recently passed out of existence.

Section agreed to.

On section 5—Board may make investigation respecting supplies of wheat, etc.

Sir GEORGE FOSTER: I move that clause 5 be amended by adding as subsection 2 the following words:

Should a board be appointed under this Act after trading in the wheat crop of 1920 has commenced, the board shall have power to adjust and make payments from the funds of the board in respect to actual losses incurred by reason of the bringing into effect of this Act. Provided that before payments are made such adjustments and payments are approved by the Governor in Council.

Mr. SINCLAIR (Guysborough): What amount of losses does the minister anticipate?

Sir GEORGE FOSTER: If the marketing of wheat is decontrolled and the business proceeds in its normal channels, the exchanges work and buyers and sellers, as in normal times, go on the market, make their contracts and incur their obligations. This they do upon their individual and corporate responsibility, looking to the future. They deal over a certain space of time and they make provision for certain contingencies which may arise out of a present purchase by some deal for future sale or purchase to hedge their first transaction. They also incur obligations one to the other and contracts between buyer and seller. Suppose that normal business goes on for a week, two weeks, a month, or two months, and then the Government suddenly brings this Act into operation and shuts the gate upon all transactions. These contracts and obligations remain, and the individuals concerned are without the usual facilities and privileges of the market with which to recoup themselves. It is apparent that no business of any kind would be undertaken in the face of a contingency of that kind; so in order to have normal and usual transactions go on, it is necessary that some guar-

antee be given that if the Government does step in under such circumstances the board shall have power to adjust and make payment from the funds of the board in respect to actual losses incurred by reason of the Act being brought into force. There is a provision that any adjustment or payments are to be approved by the Governor in Council.

Mr. SINCLAIR (Guysborough): Suppose the Government fixes a price at \$2 a bushel. They are dealing with 100,000,000 bushels of wheat. The price in the markets of the world drops to \$1.75; in that case the Government would be involved in a loss of \$25,000,000,000. It looks to me like a very serious responsibility that the Government are assuming. If I am wrong, the minister will put me right; if I am right, I would hesitate to vote for the minister's proposal.

Sir GEORGE FOSTER: The Government does not assume any responsibility whatever. The board, if it is brought into action, will take up the work, carry on transactions for the future, and adjust and make such payments to those who have been carrying on operations as they may think necessary, to the extent of actual losses incurred. It is not the Government that stands these losses, if there are losses; it is the general fund of the board, which undertakes to sell, to get a price, to make certain advance payments and then to adjust and distribute whatever may be left in the pool, just as was done last year.

Mr. SINCLAIR (Guysborough): Then it is clear from what the minister says that the country does not undertake any responsibility for the expenditure of money in connection with the sale or purchase of wheat?

Sir GEORGE FOSTER: None.

Mr. ROBB: Is this proposed legislation based on the experience of past years, or is it retroactive?

Sir GEORGE FOSTER: It is not retroactive. It is based upon what is absolutely necessary if men are to engage in the business. I think my hon. friend himself will agree that there should be some guarantee. But it is to a certain extent based upon the experience of the wheat board last year. The Grain Exchange was open for a number of days; wheat transactions were carried on and certain actual losses were sustained when the wheat board took hold of matters and carried on operations. Those were adjudicated and passed upon and the Gov-