

Hon. Mr. STEVENS: Permit me to furnish an illustration of my point, because I think this is one of the most important points in connection with this whole matter. I have personal knowledge of an incident which occurred while the old Wheat Board was operating. Several mills—not the largest mills, but moderate-sized mills—had for sale a surplus of flour amounting to about 100,000 barrels, I think. They had a definite sale for that flour in Seattle. There was a very heavy adverse balance of trade against Canada at the time which influenced the rate of exchange to some degree. The Wheat Board absolutely refused to permit those mills to export that 100,000 barrels of flour to the American market where it could have been sold at a very advantageous price. The price was slightly below the Canadian price, but with the added exchange it made a very good transaction. My point is this: is it a good thing to invest a board with the power of regulation that will enable it to control international trade? If so, what reasons for that course can be furnished by Mr. Woods and others who were strongly supporting it?

Mr. WOODS: Do I understand you to say that these mills wanted to sell this flour at less than its domestic value?

Hon. Mr. STEVENS: That would hardly be a correct statement, because there was at that time 17 per cent exchange, I think, and the exchange raised the price above the domestic price. The whole of the profit was in the exchange, in any case.

Mr. WOODS: If there was an instance where the Wheat Board refused to permit millers to sell flour to a foreign market and get exactly the domestic price, I have no information in regard to it. If you will investigate the matter further I think you will find that there was some other complication. I do not know anything about the case to which you refer, but I know the method of the Board. If they had gone to the Board and said, "We can make this sale in the United States, and we want permission to do so, and will turn over to you all the proceeds of the sale above the net domestic price," I think they would have had no trouble in carrying out their wishes. I think you will find upon investigation that there was some other complication there. Mr. Stewart and Mr. Riddell, if you can give them some notification beforehand, will be able to furnish every detail, and exactly the reasons for what they did. I do not know of any case where any one was prevented from making sales if the sales were made in accordance with the regulations, and I think the regulations were absolutely fair and just.

Mr. HUBBS: What would the people of Canada think if this Government enacted legislation that would put under the control of this Wheat Board 200,000,000 bushels of wheat at even \$1 a bushel? In my opinion it would create a combine in connection with the bread of Canada to just that extent. Furthermore, what would be the influence it would have on the rest of the industries of Canada? How would it work with the establishments manufacturing implements if they had full control of the sale of the implements? Would it not work out in practically the same way? Would not this thing simply be a combine?

Mr. WOODS: Well I think if the manufacturers of implements came to the Government and said to the Government "We cannot sell our implements to advantage and we would like to have a Board such as the farmers are asking for because they cannot sell their wheat to the best advantage" I think the Government should at once give them what they want. But I don't think the manufacturers are going to come and tell you they have not got a centralized agency for their selling requirements.

Mr. ROBB: You mean by that the Government would require the farmers to buy their implements from the Canadian manufacturers?

[Mr. H. W. Woods.]