

negotiate the sale of the wheat. You then had a sale made by negotiation between the seller and the buyer. Under the present conditions, it is really not so. The buyer has a very great advantage over the seller, and when this flow is so great the buyers can systematically withdraw from the market and depreciate the value of the wheat.

We believe that under the management of an efficient Wheat Board \$25,000,000 would be a very conservative estimate of the increased price that would be received from the sale of an ordinary crop of wheat. We think the operations of the Wheat Board in the selling of the 1919 crop saved to the people of Western Canada at least double that amount. Extraordinary conditions exist not only in the selling of the crop, but also from the standpoint of the consumers, and during these extraordinary conditions we ask for the reinstatement, temporarily, of the Wheat Board. We do not believe that any other method would make it possible to immediately meet these extraordinary conditions that will have to be met if anything is going to be saved to the agriculturists of Western Canada during the next year or two.

I understand there is some objection to this plan from the consumers' standpoint. I would not like to make any arbitrary statement, but I do not believe there is any justification at all—and I will make that statement absolutely arbitrarily—for any apprehension upon the part of the consumers. Under the operations of the old Wheat Board the price of wheat to the Canadian millers was always below the foreign price. We first fixed the value of the price to the Canadian millers at \$2.30 per bushel and there was never any wheat sold to the foreign trade below that price. Practically all of it was sold above that price. The millers, however, can manufacture and sell flour on a very much lower margin under that management, because the price of both wheat and flour is always stabilized.

They do not have to speculate in buying and selling; the price is stabilized to them, assuming, of course, that the board regulates the price of flour. Even then, the price of flour would be stabilized by the stability of the price of wheat, and if the crop of wheat does not bring \$25,000,000 more than it would bring on the open market, I do not think there would necessarily be one cent advance in the price of flour. Besides that, a very large majority of the total amount of wheat is exported, and if you undertook to keep down the price of flour and the price of wheat by an irregular open market, I think you will lose to the producer and to the national wealth \$10 for every dollar you would save to the consumer. I do not think there is any doubt about that. That, to say the least, has not been the policy of the Canadian Government with regard to other products of the nation.

There is another consideration which should be borne in mind. We do not claim that the Wheat Board's selling the wheat at the higher price would solve the financial difficulties of the farmers. It would not, but it would help just that much, and every dollar extra that the farmers would get for their wheat crop for this year and the next couple of years would go immediately into the channels of trade and would help trade itself just that much. Practically speaking, not one dollar could be hoarded. Of course, a great deal of the money thus saved to the farmers would go immediately to paying the debts of the producers, but every dollar that did not go to pay debts would go immediately into the channels of trade and would relieve trade itself to just that extent; whereas under the present conditions the purchasing power of the farmers has been practically destroyed. They are not buying a cent's worth above their actual necessities, and trade can no more escape the effect of the farmers' inability to buy than can the farmers themselves.

Agricultural values have been deflated. The purchasing power of agriculture has been destroyed, and therefore other values have to be deflated before conditions can reach a normal adjustment whereby trade will resume its activities. Every dollar that can be secured to brace up that situation will help. If there cannot be some relief afforded immediately, agricultural production is going to be discouraged. No industry can continue to operate at a loss. It can only continue so far, and

[Mr. H. W. Woods.]