

*By Mr. Senn:*

Q. Is this the 1941 crop which was undoubtedly held over from the preceding crop year; none of these figures have anything to do with the hold over, do they?—A. No, but you will get this statement further on in the report.

Mr. SENN: All right, thank you. Then, I see there is a note there at the bottom of page 13 that gives some additional information on it.

The CHAIRMAN: Proceed, Mr. Findlay, please.

The WITNESS: The next item shows the deliveries by producers to the board, as reported by the board's agents; net sales, and unsold stocks held by the board at the end of each month. And then there are two footnotes underneath which show you the disposition of the big sales made in November and May of that particular year; and that footnote also shows the allocation of those sales over the various crop years.

*By Mr. Donnelly:*

Q. What proportion do you allocate to each crop year? There must be some main basis for it, say the sales are a million or ten million bushels; how do you allocate such sales to the several crop years involved?—A. They are allocated on the basis of the unsold position of each of the crops. That is the basis for allocation.

Q. You mean, you take the proportion of what is left out of each crop year?—A. Yes.

Q. Well then, you do not allocate it to one crop until that crop is cleared up and then start on the next?—A. No. You will find later on in this report that we are still selling wheat from the 1939 crop.

*By Mr. Douglas:*

Q. That is not a matter of government policy, that is a matter of board policy; but to a layman it would look like good business to clear up 1939, then 1940, and have it completely disposed of rather than cleaning up a little out of each crop year.—A. That is a difficult question to ask me because that involves a matter of board policy. I will be glad to give my opinion if I had to decide what should be done: you would have to consider the rights of the various participants to deliveries in a crop year.

The CHAIRMAN: And of the participation certificates.

The WITNESS: Well, you have to try to play the game with all of them.

*By Mr. Douglas:*

Q. Is it not true that you cannot make any adjustments to the producers until all of the wheat is sold for any one crop year?—A. That is right.

Q. So you are not paying any of them on it until you sell the whole crop out of each crop year?—A. You take in the case of the 1939 crop, there will be sales made from time to time from the inception of that crop year. At the time these sales were allocated nobody knew whether there was any possibility of paying anything on participation certificates or not. It is one of the most difficult questions the board have to decide. The board have to decide what is the fair and equitable thing to do with regard to any of the participants who have delivered with respect to each of the crop years.

Mr. FAIR: Is the amount of wheat in storage, that now moving into use, sufficient to take care of the actual shrinkage up to the date of sale, and—

The CHAIRMAN: I wonder, Mr. Fair, if we could leave that type of question until we are discussing the elevator agreements; that would be involved in them.

Mr. McIVOR: Yes.