

On July 12th, we sold a further amount of 2,842,000 bushels bringing our total sales to about 11,842,000 bushels.

On July 13th, the Winnipeg market closed unchanged and no sales were made.

On July 14th, during the session in which prices advanced  $2\frac{3}{4}$  cents per bushel, we sold 1,000,000 bushels.

On July 15th, the market advanced another  $1\frac{1}{2}$  cent a bushel, and we sold 7,634,000 bushels.

July 16th was a Sunday, but on Monday the Winnipeg market was again strong and closed up a cent a bushel, while we were able to dispose of 6,332,000 bushels, bringing our total sales from July 1st to July 17th inclusive, to a total of 27 million bushels, or an average of about two million bushels per day for the period. In view of the heavy sales made during the first seventeen days of July it was apparent that the market had reached a point where further sales would only result in a complete break in the price structure. Mr. McFarland's views were sound and the price structure did break. During this period the high for July wheat was on July 15th when the price was  $95\frac{3}{4}$  cents, not \$1.04 which was the quotation for May delivery 1934.

I made that reference because one of the witnesses would leave the impression that the high was \$1.04.

Q. For May futures?—A. Yes.

On July 19th a disastrous situation developed on markets in the United States and wheat prices at Chicago crashed from \$1.14 $\frac{7}{8}$  to \$1.05 for the July future, and substantial sales were made in our market. The net result was that the Winnipeg market declined  $6\frac{3}{4}$  cents a bushel without either sales or purchases by Mr. McFarland.

On July 20th a complete debacle was witnessed in United States grain markets when wheat prices at Chicago fell 15 cents per bushel, making a total break of 25 cents per bushel in two days' trading.

On the same day selling orders flooded the Winnipeg market and prices broke 9 cents a bushel. Feeling that developments of the past two days in the United States were due to factors wholly unrelated to the basic wheat situation and with due regard to the fact that the new Canadian wheat crop (a small one) was about to be harvested, Mr. McFarland felt that it was his duty to exercise all the control he could over a situation which might have proved disastrous to Canadian producers.

On July 20th, we purchased a total of 4,150,000 bushels and in spite of this support prices showed a net loss of 9 cents a bushel for the day. I would like to ask you a simple question. What would have happened to prices at Winnipeg if we had not supported the market to the extent we did, with Chicago breaking to the extent of 15 cents a bushel. It was apparent that the situation had got out of control in the United States and the Chicago Board of Trade decided to close their market until such time as they felt the trade could cope with the situation. Winnipeg, therefore, was the only North American market of consequence remaining open on July 21st.

In the four years of stabilization operations, and through all the difficulties which Mr. McFarland was confronted with from time to time, and I assure you that probably there has not been a day in his whole four years of operations that he has not been required to make decisions of great importance to the country as a whole, one day probably stands out more vividly in his memory than any of the other days, i.e., July 21st, 1933. Remember the Chicago market was closed. A feeling of panic existed every place, and when the Winnipeg market opened on the 21st July, it became apparent that only