

consumer got just about one-half of the benefit that the producer lost. What came of the other I don't know.

Hon. Mr. ROBB: To come back to the price to the miller, starting at \$2.30 you say they did not make and change until it went up to \$2.80. During that period was the price of flour controlled also?

Mr. WOODS: Yes.

Hon. Mr. ROBB: So the miller did not get any more?

Mr. WOODS: No.

Hon. Mr. ROBB: The flour that the miller exported, did he sell his flour at the same price as the man who was paying \$2.80?

Mr. WOODS: You would have to get detailed information in regard to that from Mr. Riddell or Mr. Stewart. In a general way that is the fact. I think I can give you approximately the facts. The Board controlled the price of flour. I think in most cases negotiated all the foreign sales of flour made in Canada, if the millers had flour to sell and they had to get permission to make a foreign sale of flour and the price had to be approved by the Board. If the price was for the domestic flour the Board got the excess. That was the system and the miller was not allowed to take the cheap flour, made out of the cheap wheat that he was getting and compete against our wheat in the foreign market. That was what that was done for, because while we were selling the miller wheat at 25c. or 40c. a bushel below the foreign value of the wheat, of course he could have cultivated a tremendous business by buying that cheap flour and selling it in competition with our own wheat in the foreign market. The sale of foreign flour was fully regulated by the board.

Hon. Mr. STEVENS: Did not that result in compelling several of the mills in Canada to temporarily shut down?

Mr. WOODS: No, sir. Some of the small mills got into difficulties, but I think the general feeling of the small millers was that they were protected by the Wheat Board. The secretary of the Ontario Millers' Association—the association of the small millers in Ontario and Eastern Canada—was very anxious to see the operations of the Wheat Board continued, and I believe the workings of the Wheat Board gave protection to the small mills against the large ones.

Mr. SUTHERLAND: You have just stated that you regulated the price of flour?

Mr. WOODS: Yes.

Mr. SUTHERLAND: You also regulated the price of the by-products. Upon what basis do you justify having fixed a spread of \$10 between the price of bran and shorts? It resulted in the bran being ground up and disposed of as shorts, because it was sold at \$10 more than the bran was sold at.

Mr. WOODS: I do not know what relation of prices was fixed in that connection.

Mr. SUTHERLAND: But there was a spread of \$10 between the two.

Mr. WOODS: I do not think there was quite so much spread as that.

Mr. SUTHERLAND: Yes.

Mr. WOODS: I do not know the reason for fixing the spread as it was fixed.

Hon. Mr. STEVENS: Do you consider it in the interests of the general business of the country dealing in cereals, both producing and milling, that a Wheat Board constituted as the old Wheat Board was, should have the power to prevent the export of flour as the old Wheat Board did?

Mr. WOODS: Well, where they are buying wheat at less than its export value, I think it is. But if they are paying the full export value for wheat there would not be any occasion for it.

[Mr. H. W. Woods.]