

Mr. DONNELLY: Are you getting much wheat at the present time?

The WITNESS: No.

*By Mr. Perley:*

Q. Is not that evidence then that the nearer we get to the crop year futures are quite high, and the cash wheat position is in July now, and that is when they sell in the open market rather than to the board; then in the latter part of the year, the last weeks of the season the delivery price and the price of cash wheat are nearly the same, and the open market is not going to advance prices— —A. I am sorry, I cannot follow you, Mr. Perley.

Q. Well, I mean to say that I did that myself last fall. The cash price on the open market was so near the board price that I took a chance and delivered to the board. Now, the other day—I made sales since you were here—I made them in the open market because the price was 7 cents or more higher than the board price—I took a chance on the participation certificate.—A. That is the answer.

Q. The prices have a tendency to drop before the end of the crop year.—A. I do not know that it has anything to do with the crop year. I would say that when the open market price is higher than the board price the farmer delivers to the open market, whether at the end of the year, at the beginning of the year, or any time during the year. It is merely a question of price.

Mr. DONNELLY: Wheat is now a dollar a bushel, is it not?

The WITNESS: Yes, I think so.

Mr. PERLEY: You have not delivered any wheat yet on this next year's crop.

The WITNESS: But we have been selling from this year's crop.

The CHAIRMAN: Could we not proceed with the next item?

Mr. DOUGLAS (*Weyburn*): That looks like an almost impossible proposition from the commercial viewpoint that anybody, whether governmental or private, would get nothing but that part of the business offering what the open market price is below the board price; what possible hope would there be of anyone operating successfully speaking of the financial position?

The WITNESS: We all know, of course, that the board is a voluntary board. The farmer does not have to deliver to the board. When he has a crop to sell he is a shrewd business man and he bases his deliveries of wheat on a comparison of the open market price and the board price, and if the open market price is higher he delivers to the open market while if the prices are in line, or practically in line, he delivers to the board.

Mr. DOUGLAS (*Weyburn*): What hope is there then that the board can possibly operate on a successful financial basis, supposing you only get wheat under those conditions?

Mr. DONNELLY: That depends on the selling done by the board.

The WITNESS: I think the whole question of the success of the board is whether they can sell their wheat at a sufficiently high price so they can make some return to the farmer.

Mr. DOUGLAS (*Weyburn*): The actual position of the board is that of becoming increasingly the medium for taking the surplus wheat off the market whenever the prices tend to drop.

Mr. PERLEY: Yes.

The WITNESS: I think that has been the position of the board ever since 1935. Perhaps you will remember a discussion when Mr. Perley in 1935 was vice-chairman of that committee; the real problem at that time was whether it