

bushel of it. He speculates in contracts, as a matter of fact, there are very, very few speculators, if any, who speculate in grain. Grain costs money to hold and to store. It is perfectly obvious that if a man was wishing to speculate he would speculate on the most economical basis he could; that would be the buying or selling of contracts.

Q. But if fifty per cent of the wheat remains in somebody's hands from fall until spring, somebody has to pay the carrying charges, whether it is the farmer or the speculator?—A. Absolutely, sir; but they may be carried by a man who would not be classed as a speculator for the reason that he could have wheat on hand and be protected by his sales either of options on the market or contracts for specific delivery of grain.

*By Mr. McMaster:*

Q. Might it possibly be the European buyer?—A. Yes, sir, it might.

*By Mr. Millar:*

Q. I was just going to ask a question in regard to the American wheat. Mr. Watts made considerable of the fact that Kansas wheat came on the market about July, and that the necessity—I think he put it almost strongly enough to justify the words "imperative necessity"—of marketing the Canadian crop before it came in competition with the Kansas wheat. In connection with your experience with the Wheat Board, how much stress would you lay on that point? Did you try very much to get rid of it before the Kansas wheat came in competition with Canadian wheat, or did you assume that it was marketed judiciously?—A. Well, in connection with that, the legislation under which the Wheat Board operated, or the Order in Council, as the case may be, was not passed until I think the last day of July. I am not quite sure of the date.

Mr. McMASTER: July 31, 1919.

The WITNESS: So that any question of the Kansas crop was certainly not before the Wheat Board insofar as its past experience was concerned. It was the middle of August before the Board was appointed and could meet, and we were actually getting supplies of new wheat of our own western crop on the market before we started operating. Now, as to whether, if the Wheat Board had been continued a second year they would have found it desirable to enter into prior contracts, I would say most likely they would. Once again, that would depend absolutely upon conditions, which would have to be sized up by the people who were in charge.

*By Mr. Stewart:*

Q. How late in 1920 was the Wheat Board still marketing?—A. The life of the Wheat Board really was the marketing of the previous crop, the 1919 crop, so that there was no 1920 crop touched.

Q. I meant, how late in 1920 was the 1919 crop still being put on the market by the Wheat Board?—A. Speaking from memory, I would say that the latest deliveries were made in the month of September. Now, let me make that clear—

*By Mr. McMaster:*

Q. September of what year?—A. 1920. I do not mean to say by that that the latest sales might be made then. We might be delivering grain in September, 1920, that was contracted for in August or September, 1919, and I believe such is the case.

Q. Let me clear up something that is in my mind, probably because I do not understand the terms as well as I should. You say, had the Wheat Board been continued for the 1920 crop you might have had to deal in futures; is that what you say?—A. No, sir. That is to say, we might have made contracts in June or July—that is the point raised by Mr. Millar originally—for the new crop coming in in September.

Q. That is, you would have had to contract—A. I would not say that definitely.

Q. You might have had to contract—A. Yes, sir.