

tiate a trade with the Wheat Board. That was the system in a general way. Here is one thing I want to make plain which may be I did not at the beginning. Another function of the Wheat Board was to sell the Canadian miller his requirements of wheat and we were under obligation not to sell it higher than export value. It had to be within the price, the export price and then the miller bought all his wheat from the Wheat Board so there was no price limit at all to the foreign trade. There was a price limit to the domestic trade. We had to give the miller an inside on the foreign value.

Hon. Mr. STEVENS: How much inside, Mr. Woods?

Mr. WOODS: The first price we set for the miller was \$2.30 a bushel. I think there was a lot of wheat sold to the foreign trade for \$2.30. I am not just certain now, but I think there was. I don't know how much, but that price was not raised to the Canadian miller at all, it was raised to \$2.80, raised from \$2.30 to \$2.80 along, I think, in December. I am not certain. But all that time the foreign price had been going up. After the foreign price got up to the level of \$2.80 then we raised the price to the miller to \$2.80 but in the meantime he had been getting the advantage—the miller did not get any advantage at all, but the consumer did get it.

Hon. Mr. STEVENS: How would you operate on a declining market on the same principle?

Mr. WOODS: Just the same as you would on a rising market, only if there was any danger of a declining market you would have to be careful about fixing the price of the initial payment.

Hon. Mr. STEVENS: How would you deal with the mills? You would have to lower it. You sold it to the miller on the rising market when the price was \$2.30 and \$2.80. On a falling market would you do the same way?

Mr. WOODS: In a falling market you would have to fix the price, because we would have to keep inside the price of the foreign value.

Mr. SAVARD: Who get the benefit of the decrease in price? Do the farmers who do not know how to market. If they were crowded to overflowing and they were flooding the market, who gets the profits of the decrease in price in case of the farmer selling the wheat on the market? Is it the speculator? It is the miller or the consumer? If the Wheat Board is asked for the maintenance of a reasonable price, so much the better, but if it is to protect the farmers of the West in the maintenance of the price and cause a restriction of competition we would like to know. In other parts of the country producers are interested as much as the farmers of the West, not on so large a scale perhaps. Tobacco growers are flooding the market. In parts of the province of Quebec it is the same thing with hay, and we would like to know who gets the profits out of the decrease in price. Is it the miller, the speculator or the consumer?

Mr. WOODS: In the first place I will correct one mistake you made at the beginning that we regulate the price. We do not. We regulate the trade and we get the full value of it. Of course, from the producers' standpoint there are no profits in a declining price. It is lost. After the de-control by the Wheat Board wheat kept going down until it got down to one-third of what it was selling at and the farmer was only getting approximately one-third as much as he was when the Wheat Board ceased operations. He did not get any profits, but he got it in the neck alright.

Of course the consumer gets the benefit but as the price to the consumer was declining, and he was taking his loss, the consumer only got the benefit of about, I think, approximately, if you will follow it down, I think you will find that the consumer got the benefit of about one-half of the loss that the producer met. I am not sure about this. I won't make those relations arbitrary, but I think you will find the