

anticipate their purchases to a certain extent, and they have to get that wheat forward to the head of the lakes in order to fill their contracts for the month for which it is bought. Consequently, they have to forward their wheat to the head of the lakes as well. The financing of the situation compels that sale, if for no other reason, as they have to secure their money through the banks, and they have to make a turnover as quickly as they possibly can. The Stewart-Riddell report refers to that. It states:—

“Through lines of credit with the banks each department of the grain trade endeavours to conduct its operations and to conduct them so rapidly that their business resolves itself into a series of turn-overs during the crop season. The average western crop requires approximately \$100,000,000 of credit with the banks to ensure its movement. This money is loaned to elevator companies, commission merchants and track buyers, each of whom as we have shown, performs his own particular work in moving the crop. Even with the large amount of money provided by the banks there would not be nearly enough if the wheat were allowed to accumulate. When the movement of the wheat has once begun, and the use of financial credit becomes extensive, the vital problem in the mind of the “trade” is to keep the wheat moving as rapidly as possible so as to maintain credits with the banks on a strong basis.

Upon the grain dealers and the transportation companies, the banks depend for the task of taking wheat out of the farmers’ hands, and either placing it actually on the market, or in a position where it may be put on the market at any time. Naturally, various factors come into play affecting the amount of credit available for handling the crop. The necessities of convenient financing under the open market have brought about a division of the grain business into four parts.”

Then they go on to show how business is divided. There is another paragraph (reade):—

“The various features of the grain trade which have been referred to have been developed under the system of open markets now in existence. At the present time all the forces of the market seem to be directed towards getting the wheat out of the farmers’ hands and rushing it on the market within as short a period as possible following the completion of harvest operations. Broadly speaking, both transportation and banking interests exert all the weight of their influence to this end, because under the existing conditions of competition their interests cannot adequately be protected in any other way.”

This will show the committee the reasons why the crop has to be handled as expeditiously as possible; but were it under the control of the Wheat Board the same necessity, so far as financial arrangements are concerned, would not prevail, at least not to the same extent. True, the Board would have to finance the wheat, but their heavy overdraft would be confined very largely to the early operations of the season. As the members of the committee know, only a certain advance is made on the grain. The balance of that is held over for a very considerable time. It is quite true that there are advances made at the present time on consigned grain, but immediately the sale is made, that is cleaned up and it requires the full price of the grain to satisfy in that respect. Under the Board, that condition would not arise to the same extent, as they would be continually accumulating a surplus which would represent the amount between the advance and the amount they actually received for the grain when they sold it; so that, instead of increasing the amount of the credit required under normal conditions at least, that is under normal marketing, that amount would be lessened rather than increased.