

refunded the money would not be able to market it with the Wheat Board the second year.

Mr. McCONICA: As a matter of fact don't the elevators sometimes make you pay back an advance, have some of it paid back. I have done that.

Mr. ROBINSON: I wanted to draw your attention to one thing. Supposing the world's market would warrant the price of \$2 being considered the full value of the grain, and take the case the hon. gentleman mentioned that an advance of \$1.50 had been made. In the ordinary course of business, the advance of \$1.50 having been made on it, it would be sold at \$2. The 50 cents that was to the good could be used to offset any 15 cents.

Hon. Mr. STEVENS: That is not true but I don't think it is likely to occur.

An hon. MEMBER: That is exactly the system we have to-day. I deliver my grain from the machine to the elevator and I get \$2 for it and another man living ten miles away gets \$1.50 for it.

Mr. McMURRAY: Did I understand that the price of flour rose and fell with the price of grain in this country.

Mr. ROBINSON: Yes.

Mr. McMURRAY: So that if the farmers were getting higher prices for wheat in this country, flour would be at a higher price here?

Mr. ROBINSON: I think that is fair, but the point I want to make is this: flour does not go up and down daily the way wheat does, and if there should be a serious slump, say continuing for a week, as there has been, I don't think after that week when prices were up, you could buy flour from any miller on the basis of slump. I don't think anybody could deny the fact that if the world market warranted a price of \$2 in one season or at a period of the season and at another time could warrant it \$1, naturally the flour made out of \$1 wheat would be higher than the \$1 wheat.

Mr. McMURRAY: I understood you to say when wheat was low the price of flour would be at the price of wheat later on. It would move up with the price of wheat.

Mr. ROBINSON: In a general way that is true.

Mr. McMURRAY: Is it not true in a general way when you get a high price for wheat in this country your flour will be correspondingly high so if the farmers get the high price will not the consumer be obliged to pay the high price for flour in consequence?

An hon. MEMBER: Does it just stand for granted that the Wheat Board would be the cause of the rise of that price to the consumer? Would it positively result that the rise of the price of flour to the consumer would be caused by the Wheat Board?

Mr. ROBINSON: Not by the Wheat Board at all, no.

Mr. SALES: Isn't it a fact when we were getting \$2.53 for No. 1 wheat the flour at that time was \$7.25 or \$7.50 a sack, and this year we have been selling our wheat at 80 cents a bushel in October and we paid \$4.15 for flour? That means that during the operation of the Wheat Board in one year three bushels of wheat would buy a sack of flour. It means now that it would take five bushels of wheat to buy a sack of flour.

Mr. ROBINSON: That is about correct, I think.

Mr. JOHNSON: Isn't it a fact that as the price of wheat goes up the price of flour goes up? I understand that was Mr. McMurray's suggestion. Did you not say, or I think Mr. Woods said this also that the operations of the Wheat Board would not affect the ultimate price of the wheat when it gets to the ocean, and that the object which you seek to obtain is not in raising the price on the other side up higher, but in narrowing the difference between the two and regulating the flow.

[Mr. James Robinson.]