

In conclusion I would like to quote herewith the following paragraphs from Mr. McFarland's address to the Canadian Club of Winnipeg on April 11, 1935.

For the sake of argument let us assume we had decided to attempt selling our wheat in the manner so often suggested. We will admit it would for a time at least increase our exports, in a measure depending entirely upon its cheapness, relative to other wheats. That, mark you, would not be on account of, or because of, any increase in the world consumption of wheat. It would only constitute a change in the position of that portion of the world's over-supply of wheat. The lowest price in over 400 years occurred in the season 1932-33, and Stanford University shows the world consumption of wheat in that year of record low prices, was less than in either of the two preceding years, and was only a few million bushels greater than the disappearance of last year, which is clear evidence that record low prices did not increase world consumption. It is also a proof that there is a saturation point, even for the most essential product.

There is one important fact which many people appear to overlook and that is, "Exports increased by reason of price sacrifice," do not all go into immediate consumption, but also go to create increased reserve stocks, visible and invisible, in some other country. While Canada continued selling her wheat at prices relatively lower than prices at which other countries might decide to dump theirs, there would no doubt be more of our wheat sold and more consumed. There is, however, another angle to this picture, and that is, we would at the same time be displacing the surplus wheat of other countries, and they would have that much more on their hands, which would eventually be forced into competition with our remaining supplies, or our subsequent harvests. Therefore, so long as there continued to be excessive world production, we would have to face recurring and similar dilemmas.

There need be no surmise or doubt on the outcome of a selling policy such as some people suggest, of selling our wheat at what it will bring if pressed rapidly on the market. Some people have short memories, otherwise they would recall our experience as recently as 1932. It is true the experience of 1932 was forced and involuntary, but it was nevertheless an impressive demonstration of how fatuous it would be to deliberately adopt a policy based upon such suggestions.

This country in 1932 produced close to 450 million bushels, which was the third largest crop in our history. In five weeks from September 9th to October 7th, farmers' deliveries in Western Canada reached the record total of 145 millions of bushels or an average of 29 million bushels per week. In nine weeks 206 million bushels were delivered. The wheat had to move out of the country or the railways and elevators would have been congested. It was a choice between exports or chaos. The price dropped to 50 cents, then to 45 cents and 40 cents. Finally it was forced down to 38½ cents delivered at Fort William. This record low price occurred, despite enormous purchases under the Government guarantee. Purchases so large day after day as to be terrifying. It might be pertinent to ask, "How much lower would the price have gone in the absence of Government support?" At the same time, despite the fact that prices were ruinously cheap, there were not nearly enough buyers to absorb the offerings. Speculators, investors and importing countries, believed values would go lower still.

The heavy movement from the farms began in early September and the price of spot One Northern wheat from September to January inclusive averaged 46½ cents per bushel delivered at Fort William. Our exports recorded by the Dominion Bureau of Statistics in those five months, averaged 29½ millions per month, and the average price netted Western