

will prevent this sag in the market, if it will do that then we will be very well satisfied, even if it has not any very appreciable effect on the world market. Now, the same conditions prevailed this year. In the season, about the time deliveries started, wheat was selling around \$1.50 a bushel in store at Fort William. As soon as delivery started to become rather heavy, it started to decline, and it went down. The May option, which is the option market, which is the market that the large bulk of the western wheat is sold in, it went down to as low as \$1.07, then again as usual, after the seventy per cent of wheat, as stated in this report which I have read to you was marketed, it starts going back up again and it almost touched \$1.50 again the wheat went to \$1.50. The option went to \$1.47, something like that. That is what we are trying to accomplish, to prevent a sagging market at that particular time.

It was explained yesterday that having the one selling agency the wheat can be marketed according to the requirements from day to day. There are only two actual purchasers of wheat, that is the exporter and the miller. The exporter and the miller will come unto the market daily, I suppose, if they require wheat and make their purchases. As soon as their requirements are filled, then the market is left entirely to the speculator. The system of marketing was explained here yesterday, that is the commission man is absolutely helpless. He has his instructions to sell. He is responsible to the individual who consigns his car to him for a price on the day that he orders him to sell. If he does not sell on that day and the market should decline then he is responsible for the difference in price on that day and the decline on the following day or whatever day he may sell the grain. Consequently he has no other option but to sell that wheat according to his instructions. Again the trade should know that. Even the exporters and the millers know that. The speculators know that very well and immediately the requirements, in so far as the exporter and the miller are concerned, are filled, then the fact remains that they will pull off the market and it is left to the speculator. Now the speculator is not going to pay the price that the exporter and the miller were paying, for these are the people he has got to sell to or to another speculator. There are only those sources for him. Consequently he is not going to pay that price, and the result is that the wheat is thrown on the market, the commission men through his broker or himself will throw a block of wheat on the market at a certain price. There is no taker for it, and he has to offer it at a cheaper price for he has to sell it at the best price he can get for it that day, and the result is that the wheat market is beared down to a more or less degree all the time and if as it has been stated there are thousands and thousands of sellers they have to sell their grain because they have no control over it, and the result is that the market decreases every day, it has been experienced during the past few years.

Now, these are the chief reasons, so far as we are concerned, why we think the Board would lead to a gradual feeding of the wheat on to the market as the actual conditions require. A question was asked yesterday, would this gradual feeding of the wheat on to the market not have a tendency to hold the wheat back, and whether there would be the usual amount of wheat forwarded to the head of the lakes, or across the lakes to the sea ports. Now, the farmers themselves have not all to do with the forwarding of the wheat, not by any means. At the initial point in the country from fifty to seventy per cent of the wheat is sold to dealers, sold to the elevator companies. It goes down as low as around fifty per cent, and very often, or sometimes, up as high as seventy per cent; that is wheat sold to the dealers. The dealers have bought that wheat for future delivery in a certain month, it may be October or it may be November, depending upon which month the option is asked on. The result is they have to get that wheat forward in order to fill their contracts, as no elevator company of any consequence that I know of takes any chance on the market whatever. They buy their wheat to-day, and they sell it to-day. They even

[Mr. J. A. Maharg.]