

lated, but if you will compare the price of flour with the price of wheat during the operations of the Wheat Board you will find that the margin between these prices was narrower than it ever was before. I do not think you will find a parallel.

Furthermore, if you will investigate the decline in the price of wheat after the Wheat Board ceased operations and compare that decline in the price of flour from time to time, you will find that the value of wheat decreased very much more rapidly than the value of the flour. I would not make this statement positively, but I think you will find that when wheat had reached a point almost one-third of what it was selling at when the Wheat Board ceased to function, flour had decreased about one-third, about one-half as the price of wheat had decreased.

What was your question, Mr. Sutherland?

Mr. SUTHERLAND: It relates to the initial payment under present conditions.

Mr. WOODS: Oh, yes. That matter would have to be left to the judgment of the Wheat Board. Wheat, you know, had been selling at \$2.24 a bushel, but on the open market that existed for a week or ten days before the Board was created the price of wheat had gone up 8 cents to 10 cents—I do not remember the exact figure—and some members of the Board thought the initial price should be about \$2.00, while other members thought it should be \$2.20 or \$2.25. They finally agreed on \$2.15, but one or two members of the Board thought that was dangerously near the limit. Perhaps it was just a little higher than it should have been made, I do not know. In fixing the initial price, care should be exercised to fix it low enough that it will not cause a loss at the end of the selling season. That danger must be safeguarded, and I would not like to say in actual figures what would be a safe price at this time. Furthermore, conditions next Fall may be altogether different from what they are at the present time.

Mr. BROWN: What did the operations of the Wheat Board cost the country?

Mr. WOODS: The operations of the Wheat Board did not cost the country a single cent. On the contrary, the Wheat Board handed to the Dominion Government out of its returns for the sale of wheat about half a million dollars. That amount was not distributed. They could not distribute the final payment down to an exact amount, and I think about half a million dollars was handed to the Dominion Government out of the proceeds of the sale of the 1919 crop.

Mr. McCONICA: Is it not true that under the present arrangement a considerable portion of the wheat that is sold passes into the hands of speculators, and is held there until the consumer requires it or is ready to take it up? Is not that where a considerable proportion of the \$25,000,000 you mentioned goes?

Mr. WOODS: I would not undertake to analyze the present system. I do know, however, that the farmers do not get full value for their wheat, and that is the condition I desire to see remedied. I am not trying to evade your question. I simply am not capable of giving expert testimony on that point.

Mr. McMURRAY: I am sure many members of this committee do not understand how the old Wheat Board worked, and I think it would help us if Mr. Wood could briefly indicate how the Wheat Board was created, its personnel, its relationship to the Dominion Government and its relationship to the farmers selling the grain. This committee could then receive from Mr. Woods a brief explanation of the present system, and members would then be able to view the two systems in juxtaposition.

Mr. SUTHERLAND: I understand, Mr. Woods, that you were a member of the Wheat Board. Surely you are able to furnish an approximate idea of what would be a safe figure to fix as the price for the initial payment at the present time.

Mr. WOODS: I really have no intelligent idea under the present system. In the first place, this is the wrong time to consider the fixing of the price—I mean the wrong season of the year—of the initial payment, because we are just winding up

[Mr. H. W. Woods.]