

time in the year when it was decided to make the first payment we found ourselves with a considerable quantity of money on deposit in the bank for which we were only able to get about 3 per cent interest; in some cases I think perhaps it was less; I am not sure. However, that was our interest rate, 3 per cent, and the reason that we decided to make an interim payment was because we knew that very many farmers were owing money at 8 per cent, and we figured that if it cost us \$100,000 to distribute the money, there was certainly an opportunity for the farmers to make more than that by liquidating their loans and saving the interest.

*By Mr. Knox:*

Q. Mr. Riddell, a very important point is there, that the wheat carried all the charges connected with the Wheat Board?—A. Yes, sir. The Wheat Board expenses were taken out of the proceeds of the sale of the grain, and the balance after the expenses were met forms the moneys which were distributed on the participation certificates.

*By Mr. Sales:*

Q. Objections have been raised that the farmers had no right to ask the Government to assist them and assume a financial risk which may be a loss. I wish you would tell the Committee what your ideas are regarding the risk, and also a little of the experience of financing the whole Board?—A. Well, that would take probably fifteen minutes' explanation. I would much prefer to have these questions separate, so that I will be dealing with them one at a time.

Q. Well, we will give them to you separately; give us your experience in financing the whole Wheat Board? How much did you have to have from the Government for that?—A. Well, sir, as far as I know we had no moneys from the Government at any time for the last Wheat Board.

*By Mr. Johnson (Moosejaw):*

Q. You just used the banks?—A. Yes; temporarily, at the commencement of operations and prior to some arrangements being made with a certain section of the trade, the Wheat Board had a credit with one of the large banks, and performed certain services which subsequently arrangements were made with the trade to do, and that is the only money that the Wheat Board borrowed from anybody, as far as I know.

Q. There is a point in connection with that, Mr. Riddell; I do not want to bring it out by means of a leading question, but I almost have to do it. You referred some time ago to the advances; in connection with this risk, it has been thought that the Government assumes a risk, or the Wheat Board assumes a risk, in advancing money. The point that I wish to bring out is that as wheat is delivered and as you sell in advance, assuming that you sell in July for future delivery, will not that tend to reduce your risk, because you have a fixed price assured on that amount anyway?—A. Yes, sir; that is from the point of view of the Government, if the Government were back of the scheme guaranteeing the accounts of the Wheat Board, no matter how they may be indirectly arranged—yes, sir.

Q. And the more wheat you sell, the risk is reduced in proportion?—A. Yes, sir.

*By Mr. Sales:*

Q. Mr. Riddell, wouldn't you assume—or would you assume—that there would be less of a risk to the Government with a Board handling all the wheat than there would be in the case of a voluntary Pool handling part of it?—A. That question came up this morning, perhaps, in a different form, and I stated then that in my opinion there is less risk with the complete system, complete compulsory system, than there is with the voluntary system where your volume of business is unknown.

[Mr. F. W. Riddell.]