

And they propounded a number of questions and asked them to answer them. Among other things that they state is the price of flour to the consumer and this is what they have to state in regard to that.

“(3) The price of flour to consumers bears a direct relationship to the prevailing price of wheat, but flour prices invariably do not follow day to day fluctuations in the wheat market. Three-quarters of the farmers’ wheat is marketed during a period of three months, at the beginning of the season, when the price of wheat usually is depressed. During the remaining nine months the tendency has always been for the price of wheat to ascend to higher levels, with the result that the producer only gets the benefit of the prevailing higher prices for the remaining quarter of his season’s crop. The consumer, on the other hand, pays for his flour on the basis of current prices for wheat. Therefore, if as a rule the wheat market inclines to low levels during three months of the year, and to high levels during nine months of the year, because the bulk of the producers’ wheat comes on the market in the shorter period, it would be to the advantage of the consumer, as well as the producer, if the delivery of that wheat crop could be more evenly spread over the entire twelve months. If this could be done, fluctuations in prices would be lessened, and it is a well recognized fact that fluctuations in prices are detrimental either to the producer or consumer.”

That is the opinion of two gentlemen who have had at least as great an opportunity of knowing what effect it would have on the consumer, as it has been stated here they had control of the price of flour during the time of the operation of the Wheat Board. In regard to that point, I think we can rest fairly content that it does not mean any appreciable increase to the consumer. Then the question yesterday was also raised as to the effect it might have on the world’s market. Well now, we are not so deeply concerned with the world’s market, that is with the price of the world’s market. We believe that that price under normal conditions will take care of itself very largely. What we are more interested in is the maintaining of the fair world price, that is, some means that will prevent fictitious world’s prices from obtaining. I would like to give the committee illustrations bearing on the last two years. During the last two years our competitors in the wheat market have been largely, almost entirely Argentine and Australia. True, India has been exporting some wheat but not to any very large extent. The American continent, the United States and ourselves and Argentine and Australia have been the large producers of wheat for export purposes. Now, during the marketing of our wheat in 1920, which is the time that the Argentine crop and Australia crop is hanging in the balance as it were, just the same as our crop hangs in the balance for one or two months depending on the season. While our crop was being marketed, the prospects in both Argentine and Australia were not very good. They were hanging in the balance with a doubt all the time that the crop would be short, but in spite of that our markets were continuously going down, continuously dropping, to such an extent that wheat fell almost a \$1 a bushel, approximately that. It went down for those months that were described here to you yesterday when our deliveries are heavy and when the Argentine and Australia crops were hanging in the balance. As far as the Argentine and Australia crops were concerned, the weather took a favourable turn and they harvested better than the average crop in 1920. What was the result. As I stated, when the crop was in the balance, when they were in doubt as to securing this wheat crop the market went down, down, down, and right at the time the winter crops were being delivered, during the months of January and along there, when they were at their heaviest delivery, the market started going up again every day, and the result was that it went back up again to almost \$2 a bushel two years ago this time. That is what we believe the Wheat Board will accomplish. It

[Mr. J. A. Maharg.]