

regard to the sale of wheat. We ask it as a temporary measure, but we do ask it with all seriousness and with all the force that we have to give us this temporary relief. Gentlemen, I thank you.

The CHAIRMAN: May I ask the speakers to give their names?

Mr. SEXSMITH: Did I understand you to say that on the output of wheat for the year that it would approximately increase the price to about \$25,000,000.

Mr. WOODS: I think that is a conservative estimate.

Mr. SEXSMITH: Would you answer for the instruction of this committee those two questions; first, how will the Wheat Board increase that price, and secondly out of whom does the increase come?

Mr. WOODS: The Wheat Board by centralized selling power, being a centralized selling agent with control of all the wheat they could control the flow of the wheat. They could let the wheat flow just as they think it is advantageous to flow. Under the present system the wheat is all forced on at one time and the selling of this wheat under the new system is directed by thousands of individual farmers, each one selling when his wheat can be sold, instead of that indiscriminate selling direction by thousands of individuals without any chance in the world to know how to direct the selling of his wheat each one of them—this will come into the hands of one central selling agency which could control the flow, and not only that but instead of the commission men going to a man and saying "I have so many carloads of wheat to-day which I have to sell, what do you give me for it?" this man has the control of the storage capacity and he negotiates the sale. The buyer will go to him and say: "I want ten million or twenty million bushels of wheat; what will you sell it to me at?" And then the negotiations take place, intelligent negotiations, and there is just as much strength in the seller as there is in the buyer, because he controls the supply and the wheat is controlled and sold intelligently under the Board. It is not under the direction of several thousand farmers, ninety per cent of whom are being forced by their creditors to sell immediately. That is the only control they have for the selling of their wheat. We have to sell this wheat immediately and get the money.

Now, the creditor is satisfied under the Board because he gets an initial payment and he is satisfied. Then he wants his debtor to get the best price he can. You cannot blame the creditors because they do not know what is going to happen, because here is a man who has so much loaned to another man if the man has the wheat to pay it with. We will assume it is a banker. Good wheat is going down. He says, "Get this on the market just as quick as you can before it goes down." Everybody is trying to save themselves and the buyer is getting the advantage of it.

Mr. SUTHERLAND: What would you suggest as a reasonable initial payment?

Mr. SEXSMITH: We believe this increase does not come out of the consumer.

Mr. WOODS: The price of wheat in Canada is regulated by the foreign price. The wheat consumption is something like forty-five million bushels and the balance of it goes to foreign countries, all except this forty-five million bushels that goes into the home consumption. All of the money for the balance of the wheat comes from foreign countries, from foreign trade. I don't know what the export was this year. There are men here who can tell you, over two or three times as much as the home consumption was, and sometimes a great deal more than that, but it comes primarily from foreign countries and the increased price for the wheat from the consumers' standpoint I think all comes from foreign countries, because I don't think the consumer would pay one cent more for his flour than he would have to pay anyway.

Mr. JOHNSON: Was not the price of flour regulated by the old Wheat Board?

Mr. WOODS: The price of flour was regulated by the old Wheat Board most of the time. Towards the last there was a period in which the price of flour was not regu-

[Mr. H. W. Woods.]