

Q. —Except what the equalization will take care of?—A. No, sir, I do not say that at all. I say in reply to that that it is an economic law that if you put a large volume of a commodity on a market in excess of the actual requirements of the market, you must have depression. That is my point, and I do not care what the price is in relation to the price some other time. The assumption would be that if you put less on at the time when you are now putting a large amount on, you might have a higher price than you are getting now.

Q. Then the farmer would not get the benefit of this equalization that was supposed to go on, because his grain would be out of his hands, and it would be somebody else's grain at the time that the equalization took place?—A. Mr. Warner, may I say that I am not at all familiar with the argument advanced by Mr. Evans. I have had no opportunity of seeing what it is, and consequently I really could not reply off-hand to it. I have not any idea whatever what the basis of his argument is. I understand, however, that he has gone so far as to change his opinion regarding some figures which he submitted a few years ago, and it is quite possible that next year he may be doing the same thing—I do not know.

Mr. McMASTER: "Let knowledge grow from more to more."

The CHAIRMAN: The Committee will adjourn until 4 o'clock this afternoon.

The Committee adjourned at 1 p.m. until 4 o'clock p.m.

The Committee resumed at 4 o'clock p.m.

The CHAIRMAN: The Committee will please come to order. As there is a very interesting debate going on in the House, perhaps we had better proceed without waiting for more members. Mr. Riddell was being questioned by Mr. Knox just before the adjournment this morning.

Mr. KNOX: Yes, what I had in mind at the time was this: I asked Mr. Sanford Evans if he did not think the profits secured by the speculators on the Grain Exchange came out of the difference in price received by the producer and that paid by the consumer. Mr. Evans said No, that the profits secured by speculators came from other speculators. I wanted Mr. Riddell's opinion upon that?

The WITNESS: I do not think anybody could give you an accurate answer to that question. I would say it is possible that it is partially from both. That is to say, if there are other speculators in the business who lost, it is to be assumed that certain speculators made money. On the other hand, if they all won, the profits came either out of one end or the other. That is obvious. If you get into the trading game and make \$1,000 between the producer and the consumer, it is obvious that one or the other has lost, but as to determining which it is, I would not undertake to do that.

*By Mr. Knox:*

Q. I can quite see there would be times when probably a good slice of that profit would be made off another speculator, but I think we must admit a good portion of it must come off either the producer or the consumer?—A. I do not see how it is possible to say that, for this reason: You might find the successful speculators numerically small, and the unsuccessful speculators numerically large in number. Nobody can tell. The general impression seems to be that the small speculator almost inevitably loses. Dealing with grain prices is very much like spinning a coin, the market goes up or down as the coin falls head or tail. Under those conditions, it is conceivable that some speculators make money. Whether they go in again and lose it or not, I do not know.

Q. Suppose we take the general profits of the speculators as a whole, the balance left over would be secured from either the producer or the consumer?—A. To the extent that the speculators take money out of the business I think it is obvious that it comes out of either the producer or the consumer.

[Mr. F. W. Riddell.]