

You are now stating the case under an arrangement whereby there would be daily fluctuations in prices of wheat to the millers?

Q. Yes, and there would be an equivalent price in the consuming market?—A. Yes.

Q. Now, the millers in Europe would purchase in that market a stock of wheat for milling purposes?—A. Yes.

Q. Then there is an increase in the price of wheat in the European market?—A. Yes.

Q. The Board, if it were in operation, would prevent the miller from exporting flour except at a figure commensurate with the now increased price of wheat in Europe?—A. Yes.

Q. But the miller in Europe, having bought the wheat at a lower figure, would absolutely shut out our flour which was exported under the higher figure?—A. I think you would find, if you look at the reverse side of the case you have stated, that the millers would require protection in the one case. As a matter of fact, I do not think the millers would accept an arrangement such as you have outlined, because of that danger of which you are speaking.

Q. They would have to accept it if the compulsory Board were adopted?—A. No. I have looked over some of the evidence which has been given before this Committee, and I think a wrong impression has been created in the minds of the Committee in connection with the relationship between the Wheat Board and the millers. The millers appear to have attempted in a general way to show that the Wheat Board has been very hard and arbitrary towards them, and that they have taken the short end of the deal all the time. I want to make this general statement before referring to two or three specific cases, that all the regulations of the Wheat Board which affected the millers were the result of consultations with the millers. Any particular matter was thoroughly discussed with the accredited representatives of the millers and a fair basis agreeable to them and to the Wheat Board was arrived at, and an arrangement by way of regulation, public or otherwise, was drafted after consultation. In a general way the impression that is being left upon the minds of the members of this Committee is that we got the safer end of the business all the time. That is not so. The millers were protected against loss all the way through in everything that was done. They are only enabled to convey the impression of which I have spoken with an appearance of truthfulness, simply because the general trend of prices went upwards. If world values had gone down slightly, the millers would have been in an entirely different position with a drop in price on any stocks they were holding. Our arrangement was that we took all responsibility for fluctuations in values, and if world values had been down we would have had to absorb the loss involved. I challenge any miller to disprove the truth of that statement. I feel very strongly about it, because of some things that have been stated here. The millers assumed absolutely no risk in regard to the fluctuation in values of any commodity we were handling, either up or down. For instance, the statement was made that the Wheat Board inflicted a surcharge upon the millers. That surcharge would, under entirely reversed conditions, be the equivalent of a rebate; it was either a surcharge or rebate.

*By Mr. McMaster:*

Q. A rebate on what?—A. Let me deal with the surcharge first. Wheat is handed to a miller at a certain stipulated price.

Q. Under the Wheat Board?—A. Under the old Wheat Board, yes. Wheat is handed to a miller at a certain stipulated price and the agreed upon value of flour is also controlled by the Wheat Board. Next week or some time afterwards world values for wheat are higher than the price set to the miller. We do not advance the price of wheat to the miller for the reason that we can get flour from them on the basis of the price they have already taken. They have no relationship to export value at the moment. They will deliver to us flour on exactly the basis that we

[Mr. F. W. Riddell.]