

## CHAPTER XI

### CAPACITY OF OVERSEAS MARKET—FUTURE PROSPECTS

In entering upon the present chapter I am drawing nearer to the final task committed to me, that is to report upon "The measures which should be taken to retain and to extend the marketing throughout the world of Canadian wheat and other grains and their products."

In approaching this subject one is met at once by several questions, the principal of which are: (1) what is the capacity of the overseas importing market? (2) what are the prospects, having regard to world factors, of the increase or decrease of that market? (3) what can we do to increase our share of the market, such as it is now or such as it may become in the years before us?

I have shown in Chapter IX that our present export market is a greatly shrunken one, and that the shrinkage is accounted for, almost entirely, by the changed situation in Continental Europe. These Continental countries imported annually about 374 million bushels of wheat in the five-year period 1927-1932, which was practically the same as in the period 1922-1927, and only slightly in excess of the pre-war period 1909-1914. But in the period 1932-1937 they imported only 171 million bushels annually. So we have been faced, on the Continent, with a shrinkage of 203 million bushels a year in the last five years, while the United Kingdom remained about as it was, importing annually 226 million bushels, only about 11 million less than formerly.

#### EVIDENCE RE FUTURE PROSPECTS

And what of the future? No one, of course, can speak with any great confidence one way or the other. The uncertainties of the European wheat situation are bound up with many other great uncertainties, political and economic. Opinions have, however, been expressed and among these I cite the following which appear to be the most interesting. It will be noticed that some of these are optimistic and some pessimistic on the subject of a possible increased European demand for imported wheat.

Dr. Alonzo E. Taylor's views are contained in the following extracts from his evidence which was given in November, 1937.

"It is my view that, in the absence of war and with continued recovery from the world depression, an increase in the amount of wheat passing into international trade may be anticipated, and that on several cumulative grounds" (evidence p. 13932).

"To the extent that the countries in Europe lose their fear of war with each other and lose their ambition towards independence in cereal supplies we can find the following changes occurring

gradually. In a few countries the expansion of wheat growing will be found to have been economic and sound. Sweden is one. In many of the countries the expansion of wheat acreage will be found to be uneconomic and unsound. Holland is an obvious one. But when you appraise the entire group it is fair to assume that there will be a somewhat lessened acreage planted to wheat. "

"Certain countries will make the decision in one direction; other countries in the other; but probably, if we can forecast it, the net effect will be that Europe will tend to raise less bread grains and tend to raise more feed grains" (evidence pp. 13935-6).

"Now the sum total of all this is that we believe that in the course of a few years the psychological conditions developing will be a reversal of the trend of the European crop west of Russia and that they will raise say 50 million bushels less than they did for that whole area; perhaps it may be 100 million" (evidence pp. 13936-7).

"The sum total of all this would be, just as an illustration, that Europe would import 50 million bushels more of wheat than she has been doing—perhaps 100 million bushels."

"So I join with a group of men who do not believe that Europe is on the verge of a war which will destroy civilization but that, after a lot of bluster and one thing and another, people are gradually going to return to the practices of peace and objectivity and decency, and I think that will cause an improvement in the total standard of living and that there will be an increased relative demand and an increased absolute demand, with the result that Europe will become relatively less self sufficient in bread grains and will rely upon the outside world more" (evidence p. 13938).

It will be noted that Dr. Taylor's judgment is based upon the absence of war and continued economic recovery. In subsequent examination, he foresaw the possibility of bumper crops giving supplies in excess of the annual market requirements but, while in agreement with Mr. Cairns "with respect to the possibility of the occurrence," he added "I envisage quite differently the probability. I think it will occur only rarely."

Professor Knox of Queen's University, who gave evidence in November, 1937, also made certain assumptions as the basis of his conclusion. They were as follows:

"I make three assumptions for the rest of this discussion: first, that there will be peace or at least a lively prospect thereof; second, that the capitalistic system will stay sufficiently a system of private property and free enterprise to make it possible for us to use economics as a basis for prediction; and, thirdly, which is implied in the second, that the volume of governmental control, whatever it may be a hundred years from now or even fifty or twenty-five years from now, will not increase very rapidly over the next decade, with which we are now concerned" (evidence p. 13709).

With these assumptions in mind his views are expressed as follows:

"My point is that when the demand for food products revives in these countries, the rents demanded for land and the alternative returns to the farmer in other forms of agriculture will tend to cause a shrinkage in the European production of wheat. It would be against all reason and experience to assume that land and labour will be retained in wheat production if alternative and more remunerative employment are available.

"Granting then a period of relative stability in international economic relations and the continuance of recovery, there is good ground for the view that the world demand for wheat will revive and that overseas countries will be in a position to supply the larger part of the increased demand. It is to be borne in mind, of course, that a larger fraction of the world's total production of all sorts of commodities will be marketed in the country of origin than has hitherto been the case. It is probable also that production of food products will become relatively less important as the rate of population increase in western countries declines. But unless one is very pessimistic about the stability of the economic system in the western world or fearful of political disturbance on a large scale, there would seem to be no warrant for the conclusion that the economic revival will be so modest as to leave the producer of wheat in overseas countries in the sorry plight of recent years." (Evidence pp. 13738-9.)

Mr. Andrew Cairns, Secretary of the world organization known as the Wheat Advisory Committee, who appeared in London in July, 1937, gave the following view:

"Our principal conclusion from the foregoing analysis is that during the next few years the average annual world demand for imported wheat is unlikely to exceed 575 million bushels." (Evidence p. 9809.)

This conclusion was based on four definite assumptions with regard to maintenance of acreage, production, stocks and consumption in importing countries.

Turning particularly to Canada's share for imported wheat, Mr. Cairns said:

"Leaving aside the question of what future wheat policy the United States is likely to adopt, there appear to be no good reasons for supposing that Canada's competitive position as an exporter of wheat will be strengthened in the near future, nor that the position of any of her principal competitors will be appreciably weakened." (Evidence p. 9812.)

"It appears reasonable to anticipate that in the next few years Canada should enjoy a share of total world exports not far short of her 1922-23—1936-37 average of 36.2 per cent." (Evidence p. 9814.)

Mr. Cairns then went on to calculate Canada's share of world trade in the next few years at about 208 million bushels, using the above assumptions that he regarded as "rather optimistic." He calculated the wheat acreage of exporting countries "in excess of what would produce sufficient to meet demand" at 36 million acres and Canada's excess at 7.4 million acres of the 1936 acreage of 25.4 million acres.

The judgment of the Food Research Institute of Stanford University, California, is given in *Wheat Studies*, Vol. XIII, No. 4, December, 1936, at pages 202 and 203.

"In any event, it seems improbable that, over the next five or six years, economic forces will be permitted to operate as freely as in the eight years preceding the great depression. Narrowly nationalistic views still dominate wheat policies in various countries. Even if there should be relaxations of extreme control measures as depression gives way to something that may be called prosperity, abandonment of recent policies can hardly take place rapidly and may be more or less limited."

"Government measures in many countries are operating both to maintain or increase wheat acreage, and to restrict wheat utilization for food; and these measures have been heavily responsible for the obstinate persistence of world wheat surplus. For the time being, nature has at last caused surplus stocks to vanish. But if the conditions above mentioned persist, even in less extreme form, recovery and improvement of yields on a swollen acreage may again result in wheat crops in excess of what the markets will absorb under the handicaps imposed on human consumption of wheat in Europe."

J. H. Shollenberger, writing in September, 1936 ("Wheat Requirements in Europe," Technical Bulletin No. 535 of the United States Department of Agriculture, Ex. No. 679, pages 44 and 45), reached the following general conclusions regarding factors affecting the future European demand for wheat:

"Considered from the standpoint of long-time trends, wheat will some day become the principal and predominating grain for use in the production of bread in practically all European countries.

"Wheat production in most western and central European countries has increased during recent years beyond the upper limits of the market requirements for wheat of the kind and quality grown in these countries. This situation has resulted in a deterioration in the quality of the common breads.

"With any improvement in economic conditions or in the political situation which will permit a slackening in present restrictions on the use of foreign wheat, there will be a tendency in some of the countries for wheat production to decrease because in most of them the domestic crop is of a lower quality than is desired for bread-making purposes. Except in the Danube Basin and the

Union of Soviet Socialist Republics, European wheat are predominantly weak in quality and need the admixture of a considerable quantity of high-protein foreign wheat in order to produce a flour from which bread of satisfactory quality can be made.

"Much work is being done in most of the European countries to improve the quality of domestic wheat. Some improvement has been made and more will follow, but on account of unfavourable climatic conditions it is doubtful whether western European countries can ever reach a self-sufficiency status as regards quality.

"The author is of the opinion that in nearly all European countries the consumption of bread is declining and that in many of them, particularly those that have a low standard of living, the extent of the decline in future years is likely to be considerable, depending on what progress is made in raising the standard of living. Increases in bread consumption are likely to occur only in one or two sections where living standards at present are little above a starvation basis. Even then the increases will come only through an improvement in living standards which, if improved beyond a certain point, will in turn probably result in a decline in bread consumption. Among the countries possibly only in Great Britain has bread consumption reached that stage in its development approaching stabilization.

"The quality requirements for foreign wheat in European markets will tend toward higher levels in the future. In other words, the demand for strong-quality wheats will be even more insistent than in the past, with the result that price differences on account of quality will be more marked. The change to mechanized bread production now taking place in many sections will certainly bring about an increased demand for stronger wheats. In the case of machine-produced breads, the baking procedure used cannot be altered to nearly so great an extent or so readily as in the case of hand methods of baking; consequently, the flour used must be more uniform in quality and of greater gluten strength in order to stand more mistreatment than formerly. It is generally conceded by European millers and bakers that of the wheats of the world North American high-protein-content hard wheats possess the greatest degree of dependability in baking and therefore are given preference over all others.

"Most of the countries have sufficient or more than sufficient milling capacity for domestic needs. The governments of the few non self-sufficient countries, through discriminatory measures against imports of flour and by encouragement and assistance given to home industry, are rapidly increasing their respective capacities to the point that in the near future the import demand for flour will be practically negligible."

## IMPORTANCE OF QUALITY

Although Mr. Shollenberger's remarks are not altogether optimistic on the question of a possible increased import demand in Europe, it is interesting to note the stress he lays upon the importance of the element of *quality*.

In his view, while total imports may decrease, the import demand will become more insistent for strong-quality wheat, the kind Western Canada is eminently fitted to furnish, and such wheat is likely in the future to command a price premium even higher than that now prevailing. If Mr. Shollenberger is right, the necessity for the preservation of the quality of our product is all the more essential to the success of our marketing.

## MR. MCFARLAND'S VIEWS

While Mr. McFarland was General Manager of the Pool's Central Selling Agency he became convinced that the exporting countries were suffering from an over-production of wheat. He expressed this view several times in his annual reports. On the last of these occasions (November 1934), he said:

"An abundant farm reserve of feed grains would contribute a large measure of comfort and prosperity to every farmer, and, therefore, an increase in seeded acreage of oats, barley and flax, and a further decrease in wheat acreage, should be the agricultural policy of this country." (Saskatchewan Co-operative Wheat Producers Ltd., Tenth Annual Report p. 65.)

When giving evidence in Calgary in May 1937, Mr. McFarland was questioned on this statement and other statements of similar import which he had made from time to time, and he expressed himself as still being of the same opinion. The following questions and answers are of interest:

"Q. And therefore the view which you expressed, as to still being of the opinion which was set out in the passages which Mr. Pitblado read really takes effect, does it not, and you feel with those conditions facing us, possibly, control of production has to be faced. Do I understand that to be your position?

A. It is possible it will have to be.

"Q. Given this prophecy being correct and given the fact that your view was that if that prophecy is correct control of production has to take place, then it does seem inevitable that your view is that we will have to have some steps towards control of production?

A. I think it may come, and we must remember in that connection the production of quality.

"Q. That whereas there may be some control of volume, some reduction in volume, there might be an improvement in quality?

A. I think our big hope for the future for the marketing of wheat at a price which will let the farmer live depends upon quality as much as anything else." (Evidence pp. 7628-9.)

It is interesting to note that here Mr. McFarland joins Mr. Shollenberger in the opinion that the *quality* of the wheat we have to offer in the overseas market will become an increasingly important factor.

#### IMPORTANCE OF PRICE

But while the element of quality is important, and constitutes a decided advantage for Canada, its importance must not be exaggerated to the point of losing sight of the element of price. Notwithstanding superior quality, the consumption of our wheat declines when the price margin between it and other wheats grows too wide. We experienced this in 1929-30 and again during the stabilization period. There is the case of Scotland, where the bread commonly used is made from flour containing from 85 per cent to 100 per cent Canadian wheat, and where an excessive price might be endured for some time. But the population of Scotland is, unfortunately, only 5 millions. In England, the proportion of our wheat used declines promptly as the price rises over a reasonable margin between it and (usually) the price of Argentine wheat, and falls sometimes to as low a figure as 15 per cent. In fact during periods in recent years when our Winnipeg prices were considerably out-of-line with Liverpool, one very large milling concern in the North of England used no Canadian wheat at all. Such incidents create serious difficulties which last long after their immediate cause has disappeared. The injury done to what I may call our trading reputation takes time to repair. On the Continent, millers simply do without our wheat when the price becomes relatively too high. In all these cases, new connections are formed, new grinding and baking mixtures are resorted to, and the result is detrimental to our long-run interests. Everywhere, in the United Kingdom and on the Continent, the truth was brought home to us in almost the same terms: our wheat is grown for export and must compete with other wheats in a market which has become much restricted; the buyer has the choice in these circumstances; he can turn to other wheats. The seller has no alternative. Sentiment has nothing to do with the business of buying wheat, what counts is the price relationship of our wheat to other wheats. And what is looked upon with more disfavour than anything else, in the light of recent experience, is the idea of the establishment of a government monopoly in a producing country, whose object might be suspected to be to exact high prices, perhaps by withholding supplies in times of scarcity. There is no doubt whatever that among millers, merchants, importers of all classes and in every country the feeling on these points was practically unanimous. Only in one instance was the idea of a government selling monopoly received with some favour, but then only on the condition that the con-

sumers be represented on it and that its avowed policy be to sell freely at world prices. And again as an instance of government intervention that did no harm, the case was mentioned to us of the Argentine government which, in the year 1933, bought the crop outright from the producers at the equivalent of 53 cents a bushel and resold it promptly and freely for export, at world prices, taking a loss on the transaction but refusing to alienate buyers by asking for a higher price or withholding supplies in the hope of a rise. And I have already said that the actions of the present Canadian Wheat Board were referred to with approval because it liquidated stocks within a reasonable time at current market prices.

#### THE UNITED STATES AND CANADA

So once again I think it is useful to point out the difference which exists between Canada and the United States in the matter of government assistance to wheat producers. It is pertinent to the subject last mentioned.

In the United States the domestic market is the important one. In years of average crops (using the last 10 years to arrive at this average) it consumes 90·5 per cent of the production, leaving only 9·5 per cent to seek foreign markets. And it is, of course, to the producer's advantage that this domestic price can be controlled on occasion by the action of government boards: competition by foreign wheats is excluded and the American miller and other consumers must pay this domestic price. The question of the exportable surplus is of minor importance. In Canada the situation is reversed. We are more nearly in the position of the Argentine. During the last ten years we have exported annually, on the average, 61·8 per cent of our production. Our dependence is mainly upon export markets. And in those markets we must compete with active sellers who seek no favours from the overseas buyers. If ever again circumstances should induce the Government of Canada to intervene in wheat marketing by paying the producer a price in excess of world prices, no attempt should be made to enforce that excessive price overseas, that is, to pass the burden of our relief to the producer on to the overseas buyer. He will not accept the burden. And in the long run all attempts to pass it on, by withholding supplies or otherwise, will prove detrimental to the producers themselves, because it will again indispose buyers towards Canadian wheat.

#### SITUATION IN OVERSEAS MARKETS

The preceding pages of this chapter deal sufficiently, I think, for present purposes, with the question of the capacity of the overseas market, the competitive features which characterize it, and the conditions under which our wheat should be offered to it in respect to quality and price. It will now be in order to examine the market itself a little more closely to see how it is at present constituted, beginning with the case of the United Kingdom.



I may say here parenthetically, as a reminder to those concerned, that all the matter now being considered have to do directly with the problem of the retention and the extension of our markets and, as ancillary to the solution of this problem, with the question of the system of marketing to be recommended for the future. This last question, which I have called an ancillary one, is indeed perplexing; and this is the place to say so, before I resume the subject immediately under discussion. Changes in and around the grain trade take place so suddenly and drastically that it is difficult to have the feeling that one is dealing with anything finally. As an example of the recognized uncertainty of the problems involved, the following statement made by a witness in London may be quoted:

"I am a member of a firm which has been for 99 years in the grain trade, although I have been only 27 years in the trade. During that 99 years the trade has had to be carried on according to circumstances. I think it was Mr. Coyne who said that you wanted to find out once and for all the best way of marketing Canadian wheat. You cannot find out anything once and for all; at least, I do not think so. If you look back at the history of the grain trade, you will find that it has to change with changed circumstances."

About 1930 it looked to the British importer as if all freedom in the movement of wheat into the United Kingdom was fast coming to an end. Books were written pointing out the impending annihilation of the United Kingdom grain merchant mainly through the centralized selling going on, and apparently increasing in strength, in exporting countries. Particular reference was made, in this respect, to the action of the United States Farm Board and to that of the Canadian Pools; and a little later came Canadian stabilization. To-day all these factors have disappeared and the British grain trade has survived. The fact is that there are less traders in imported wheat than there were before the war or even say 15 years ago, but those now in the business are active and they handle practically all of the wheat used by the British millers, excepting the Co-operative Wholesale Societies, milling about 22 per cent of the flour milled in the United Kingdom, which do their own buying.

#### CONCENTRATION OF THE BRITISH MILLING INDUSTRY AND SUGGESTED COMBINE

As to the position of the milling industry in the United Kingdom, I cannot do better than quote from an article in *Wheat Studies*, Vol. IX, No. 9, pp. 319-20:

"Since the war the industry has become heavily concentrated in the hands of a few large concerns, notably Joseph Rank, Ltd. (which recently bought control of the Associated London Flour Mills, Ltd.), Spillers, Ltd., and the Co-operative Wholesale Society.

These three companies probably control at least two-thirds of the flour-milling capacity of the Kingdom. Furthermore, with the exception of the Co-operative Wholesale Society, which produces some 20 per cent of the national output of flour, practically the entire industry is operating under a 'rationalization scheme.' This was adopted in September, 1929, to cope with the depressed and disturbed condition from which the industry suffered for years after its release from government control in 1921. The avowed objective is to reduce costs of manufacture and delivery, and to eliminate superfluous milling capacity. . . . Competition from British mills outside the Association and from imported flour alone prevent the Association from constituting a complete monopoly. The scheme is working to the general satisfaction of the millers, and is credited with having brought the industry out of poverty into prosperity. Such concentration and 'rationalization' not only do not offend British sensibilities, but seem to be regarded as sound business developments."

This concentration of the British milling industry and the decline which has taken place since the War in business between British grain merchants and Continental importers are probably the principal causes of the reduction in the number of these merchants and the concentration of their business in the hands of fewer firms.

This concentration is also responsible, I think, for the fact that overseas buying of Canadian wheat is not as continuous as formerly, but is more intermittent, larger orders with longer intervals between having taken the place of the more regular smaller-unit buying which went on when there were more mills and more traders.

The concentration of the milling industry in the United Kingdom led to the belief, in certain quarters, that the millers had combined in the buying of their wheat and that they did this buying by direct dealing with exporters in Canada and other countries, to the exclusion of the British grain trade. Statements to this effect have appeared from time to time. Both these points are important. They are of immediate interest to the Canadian producer, and they have a direct bearing on the problem of our marketing. Consequently care was taken to see that the best possible evidence was secured with a view to arriving at the true situation.

At a conference held in London with a number of gentlemen engaged in the business of milling, merchandising and importing grain the matters involved were discussed at length; questions were put pointedly and brought positive answers. As a result I am convinced that there is no buyers' combine in the United Kingdom and no direct dealing by the millers to the elimination of the grain trade.

On the first point I quote from the record certain statements that were made:

"Q. Has anybody else any other question to raise?

A. I have got one question I want to ask his Lordship. In Mr. ———'s evidence, which I have had the privilege of reading, I have seen that he has stated that he considers that there is a definite arrangement among the millers in the United Kingdom for co-ordinated buying. I think the members of this committee would like just to raise that question with you. For my own part, I would like to say that there is no evidence of it at all. I would just like to ask Mr. ——— (a prominent miller present) if he would say something about it.

(Mr. ———): All I have got to say, my Lord, is this. I have heard it said, as has just been stated, that there was a suggestion that we, in common with other people, had an arrangement for buying our wheat together. My reply, which I know you will accept, is an absolute blank denial that there is any Association, or suspicion of Association, or collaboration even. If it was stated (I do not know that it was), it is absolutely untrue.

Q. Of course, I have heard Mr. ———'s evidence; I have not read it since. The impression left upon my mind was, that it was more of a feeling he had that such a thing was going on. Is that not right?

A. That is right.

Q. It was a feeling he had. For instance, he said, you will find that Spillers Company are just doing about the same thing as Ranks, and there must be some understanding?

A. I thought it ought to be cleared up, and it ought to be denied for the benefit of the trade as a whole."

The above statements are confirmed by all others, millers, merchants, etc., who spoke with a knowledge of the situation, including the representatives of the Incorporated Association of British and Irish Millers with whom a conference was held, as will appear later.

On the second point, that of direct buying by the millers, the following quotation from the record will suffice:

"Q. What we are trying to do is to see really what part is played by the grain trade—the grain merchant. It has been repeatedly said to us as regards the grain merchant, on account of the situation which has developed in the last 7 or 8 years, his activities have gradually got less. I notice your answer to that is that his activities are not less, but perhaps the volume of trade is less?

A. We have an answer to that later on.

Q. The number is less?

A. The number is less.

Q. There is more concentration?

A. Yes.

Q. What we are trying to do is to check that with the amount imported by those whom we call purely merchants; we wondered if that was possible?

A. I would say the only broad answer you could give to that is that, with the exception of the Co-operative Wholesale Society, every ounce of Canadian wheat passes through a merchant either Canadian or European.

Q. Except that the miller imports direct, does he not?

A. No.

A. Is the suggestion that the miller in the United Kingdom imports his wheat direct from Canada, without the office of intermediaries?

Q. That was my suggestion.

A. It has been suggested?

Q. Yes.

A. It is categorically wrong. We do not know the details of the operation, but it has been suggested (I have no facts to prove it even) that the wholesale co-operatives (you know more about it than we do) do import a certain amount of wheat which they purchase over there. It has been stated also that they own farms on which they grow some of the wheat. It may be; I do not know; but, speaking on behalf of millers generally, they do not buy any wheat direct from Canada. They buy it all through the good offices of intermediaries, either agents for Canadian sellers or firms like the firm that Mr. ——— represents, and so on and so on.

Q. You are a miller yourself, are you?

A. I am a miller.

Q. We think of a Canadian exporter sending an overnight cable to a miller. That is what I have in my mind; the miller wiring back accepting?

A. I do not think there is such a thing; no, definitely. I think if there were, we should know, do you not think so, Mr. ———?

A. Yes." (Evidence pp. 10103-10105.)

This evidence is in agreement with what was said to us by the Canadian exporters in Winnipeg.

It has already been noted that the English and the Scottish Co-operative Societies have their own buying agencies with offices in Canada.

#### FUTURES TRADING AND PRICES

Every effort was made in Great Britain, as well as on the continent, to obtain evidence on the use made by millers and traders of the futures market and particularly of the facilities of the Winnipeg Grain Exchange, as well as the views of all concerned upon the value of our present system and the question of proposed changes.

At a conference with members of the Incorporated Association of British and Irish Millers, comprising 95 per cent of the milling capacity of Great Britain and Northern Ireland, these questions were discussed at length. All the large British milling companies had representatives at this conference with the exception of the two Co-operative Societies, who belong to the Association but who were interviewed separately at a later time.

The following points, taken from notes made at the conference, summarize the desires and the views of those present in respect to trading in Canadian wheat:

- (1) The millers desire above all an absolutely free market in all respects.
- (2) The grain trade cannot be carried on without a futures market somewhere, and if Winnipeg were closed some other market would have to be used.
- (3) Millers find Winnipeg the best place to hedge. Liverpool is rarely a good hedge for Canadian wheat; the Liverpool option is usually an Argentine or Australian option.
- (4) If Winnipeg were closed, millers would use Liverpool but this would be inconvenient for the Canadian business. Obstacles would be placed in the way of Canadian wheat, sales would decline, and Canadian wheat prices would be depressed.
- (5) To meet competition from foreign flours in the United Kingdom, millers must buy Canadian wheat at world prices, otherwise they cannot use it. At the present time they must use about 25 per cent of Canadian wheat for their grist and for that small portion they sometimes pay what looks like too high a price; but they will not pay this high price for more than this 25 per cent.
- (6) Stabilization measures in their last few years held the price of Canadian wheat too high and did not help goodwill for it. Millers at times "shopped around" to buy anything rather than Canadian wheat. Fair prices are by far the most important factor in "goodwill."

I come now to the two Co-operative Wholesale Societies which belong to the Incorporated Association of British and Irish Millers, but were not represented at the conference held with that body.

I shall first take the Scottish Co-operative. Mr. David Muir, its commercial manager, was interviewed at Glasgow. This Society is one of our best customers. It uses annually 4 million bushels of Canadian wheat, which is 70 per cent of its total milling. The remaining 30 per cent is made up of Scottish, Australian and Continental wheats. The Society does its buying through its own office in Winnipeg. This office buys from elevator companies and from Canadian exporters. The Society also owns about 15 country elevators in Manitoba and Saskatchewan. The Society's

practice is to hedge all its purchases. It hedges in Winnipeg only. Mr. Muir said,

"I would be sorry if the futures market were discontinued in Winnipeg, for two reasons: I require the futures market for my own purchases of wheat here, and as elevator owners we require the futures market for hedging our purchases of wheat from the farms."

*He does not like the Liverpool market for hedging Canadian wheat.*

The English Co-operative Wholesale Society is another good customer of ours, although I regret I am unable to state here the quantity of our wheat it uses annually as I have done in the case of the Scottish Co-operative. Mr. James McFadyen J.P., a director of the Society, and Mr. A. C. Bracey, Manager of the Society's Central Grain Agency, were interviewed in Liverpool. The Society hedges in the Winnipeg futures market, but these gentlemen took pains to make it clear that they do so only as a method of insurance, that they would prefer some other method, if a practicable one could be found, and that they never use the futures market for purposes of speculation. As they said:

"In other words, when we are dealing with options, it is purely a matter of insurance and that alone. . . . We have considered from time to time (and it is possible that we may take that step in the future) the advisability of cutting out altogether dealing in options; but in order to do that, it would be necessary for us, because of the extent of our operations, to build up a fairly heavy reserve fund . . . as insurance, . . . instead of the hedging insurance." (Evidence pp. 10481-82.)

They hedge all Canadian grain in Winnipeg, but they thought that, if Winnipeg were closed they could do their hedging satisfactorily in Liverpool or London. They thought that the closing of Winnipeg

"would make Liverpool broader and more representative of the true value of wheat."

As to the necessity of keeping Canadian prices in line with other wheat prices they said:

"At one time your price went so very much out of line that some millers in this country were not using any Manitoba wheat at all and some were using 5 per cent to 10 per cent, or, at the utmost, 15 per cent.

"Q. What did they use to get strength?

"A. They educated the people of the country to do without it."

It was at this interview that the idea, to which I have already referred, was suggested of a wheat selling board handling all the Canadian crop, but with consumer representation on the board. However, the examples mentioned of the success of similar organizations had to do with British boards handling commodities for sale on the domestic market without

competition and not for export. The apparent difficulty would be to apply a similar principle to a commodity offered in several different export markets on a basis of competition with sellers from other producing countries.

The foregoing summary covers mills which form by far the larger part of the total British milling industry. We were told that among the smaller millers who comprise about 20 per cent of the industry very little hedging is done, that these millers buy their wheat from the merchants as they require it for immediate use.

The merchants (who supply the millers) hedge extensively and find it necessary to do so. Winnipeg is their usual hedging market for Canadian wheat.

#### VIEWS OF BRITISH GRAIN TRADE

Before leaving this subject of the characteristics of the grain trade in the United Kingdom and the relations which exist there between merchants and millers, and Canadian and British traders, and the use made of futures trading facilities, I think it well to reproduce here the questions addressed to the gentlemen present at the conference already referred to and the answers to these questions. This questionnaire was submitted to these gentlemen some time before the holding of the conference to which I have referred, where, among other things, the subject of a reputed millers' purchasing combine, was dealt with, and it formed the basis of the discussion which took place at the conference. It gives an interesting and succinct description of the organization and mode of operation of the British grain trade and the views of those present on many of the questions submitted to me for inquiry in this Commission:

*Question 1.* General description of the organization and manner of operation of trade in Grain and Grain products in the British Isles, indicating the functions of the various branches of the trade and the part played by corn exchanges, corn trade associations and their constituent associations and members.

*Answer:* Trade in the Grain Markets of the United Kingdom is carried on by Shippers, Shippers Representatives, Merchants, International and local Brokers, Factors with inland milling connections, and Millers, all of whom are members of one or more of the Corn Trade Associations established at the different importing centres.

These organizations are conducted independently but work in unison through the National Federation of Corn Trade Associations which consists of the London, Liverpool, Bristol, Hull, Glasgow and Leith Corn Trade Associations, the Irish Corn Trade Association, the National Association of Corn and Agricultural Merchants, and the Incorporated National Association of British and Irish Millers. They have their own rules, regulations and by-laws, relating to trade and arbitrations.

The London and Liverpool Associations' "Futures" Markets, which provide a means of insurance against price fluctuations, are of incalculable value in maintaining the steady flow of grain to the U.K. In addition to the Port Markets, there are numerous country markets in inland centres which meet once or twice weekly.

Grain having been imported, is either immediately—(1) housed in the waterside premises of Millers or (2) is transported from the ocean-going vessel by coaster, barge, rail or road, either (a) to mills not equipped with water berths, or (b) to storages at docks, or (c) inland to the premises of millers, up-country merchants or dealers.

Importers are Merchants and Millers. Merchants are in some cases branch houses of Shippers resident abroad. The business of a Dealer or Factor is the distribution of grain in retail quantities. Brokers act also on behalf of Shippers, Merchants and Millers, in buying or selling wheat. Merchants also frequently have a brokerage business in addition to merchanting business.

The Corn Trade Associations have recognized contracts for trade in Grain, on CIF—shipment and delivery—or spot terms—and in the case of London and Liverpool Associations on terms for "future" delivery. London CIF contracts are very largely used for trade to the continent.

The London Corn Trade Association is responsible for making up F.A.Q. standards of grains, other than Canadian.

It is the function of the Association to protect members whose interests are parallel and conflicting, and therefore, in producing contracts upon which business is done, draw up forms designed to give fair treatment to all interests. The Associations also are responsible for the conduct of arbitrations.

*Question 1. (a) General description of the organization, functions and operations of the corn exchanges, both cash and futures.*

*Answer:* The control of Exchanges and the conduct of their members is in the jurisdiction of Boards of Directors elected by the members.

*Question 1. (b) Purposes for which these exchanges are used by importers, millers and others in the grain trade.*

*Answer:* As a meeting place for members, for the exchange of information about international prices, crops, and movements of vessels, and general discussion on all matters affecting the Grain Trade. Shippers, Merchants, Millers, etc., meet and trade on all terms.

*Question 1. (c) To what extent, and for what purposes the facilities of the Winnipeg market are regarded as useful to the trade in the British Isles.*



*Answer:* The Winnipeg market acts as a common centre for the Grain Trade of Western Canada, providing a daily guide to the price of Canadian wheat relative to other descriptions.

Without this market, trading in Canadian Grain would be seriously handicapped.

It offers a convenient place (1) to hedge purchases of Canadian Wheat or (2) a means for covering forward sales of flour when the required grade of Canadian wheat cannot be immediately obtained.

*Question 1. (d)* Whether purchases of Canadian Cash Grain are generally hedged in Winnipeg or on this side, or whether there is any general practice as to which exchange is used.

*Answer:* There is no general practice, the hedging of Canadian Grain depending entirely upon the Canadian price being competitive with the world's values.

*Question 1. (e)* The general practice, if any, for determining the event in which the future will be bought in when purchases of Cash Wheat are hedged by sales of futures.

*Answer:* There is no general practice as to when the Futures will be bought in. It is generally done when the Cash Wheat is sold as Wheat (or in the case of a Miller, as flour) but it is possible the hedge may be transferred from one market to another before the Cash Grain is sold. It largely depends upon the opinion of the trader as to the relative values of the hedging markets of the World.

*Question 1. (f)* The circumstances under which such sales of futures, when made in Winnipeg, may subsequently be transferred to some exchange on this side.

*Answer:* The date of transfer to some other exchange depends entirely upon the market view taken by the owner of the hedge and the relationship of the price of Canadian wheat to other wheats.

*Question 1. (g)* What views are held regarding the effect of the sale of Canadian Wheat in the British Isles in case the Winnipeg futures market, should cease to operate, as has been advocated by some of those who have made submissions to the Commission in Canada.

*Answer:* The closing of the Winnipeg Futures Market would have a detrimental effect upon the volume of Canadian grain business. The closing price of the Winnipeg Market is the basis of all calculations which are made for offering wheat throughout Europe the following morning.

Further, the Winnipeg Futures Market is in the main, the market in which hedges on Canadian Wheat are carried. The only exceptions are when other hedging markets seem relatively high in

relation to the crop prospects and/or actual crops but, broadly, Winnipeg is the hedge used for Canadian wheat in whatever position the wheat may be being carried.

It would certainly make the business of all export houses and U.K. merchants dealing in Canadian Wheat very hazardous and, therefore, tend to limit dealings.

It would seem obvious if the Winnipeg Market were closed the exporter would have to look for a definite and considerable margin to cover the additional risks involved.

It is our considered opinion that the average daily price at which Canadian wheat is sold in Europe is lower than the average daily price registered in the Winnipeg Market indicating that the Canadian grower by the existing system is getting a higher price than the c.i.f. parity of the same day. In other words, his wheat is marketed in the consuming countries without any charge to him.

*Question 1. (h)* The extent to which speculative interests participate in the trading on futures markets of the British Isles compared with those of Winnipeg and Chicago.

*Answer:* No data available.

*Question 1. (i)* The conditions under which Winnipeg prices have, in the past, become "out of line" (i.e. relatively high) with Liverpool prices, and how these conditions may be controlled.

*Answer:* In consequence of the operations of the Canadian Pool, and subsequently the Government Price Supporting Agency, Canadian wheats were held at an extortionate price compared with other descriptions. Canadian Wheats are still popular with U.K. Buyers but find competition from other Exporters when the Crops of such exporting countries move freely. At times Winnipeg prices are bound to be influenced by the domestic situation with the resultant effect upon the volume of business done, while the U.K. market is of a more international character.

*Question 1. (j)* How are prices of Canadian Wheat arrived at on the cash markets of the British Isles in relation to the price in the futures markets.

*Answer:* The answer is supply and demand. The price of Canadian Wheat in the U.K. depending entirely on the supply of competitive wheats, and on what Wheats are available for delivery on our Futures Contract.

*Question 1. (k)* The grades of Canadian Wheat which are deliverable under futures contracts on the exchanges of the British Isles and the conditions governing premiums and discounts between grades and types.

*Answer:* In Liverpool, Canadian Wheat is deliverable and graded in accordance with the terms of the Liverpool Futures contract, the Dominion grade given to the Wheat in Canada is not disclosed to the Grading Committee in Liverpool, deliveries being on an ex-store basis. "Futures" trading encourages storage of wheat, that port being well equipped owing to the economic situation of the warehouses.

In London the contract grade is. No. 3 Northern Manitoba Wheat on a c.i.f. basis with the right to tender Nos. 1 and 2 at stated price premiums, and No. 4 at a stated price discount.

*Question 1. (l)* Whether the activities of the Merchant importers or their number has lessened in the past ten or fifteen years; if so, what views are held as to the causes for same, and as to the effect of such lessened activities on the sale of Canadian grain.

*Answer:* Whilst the activities of the Merchants and importers have not decreased their number has lessened and the business become more concentrated. Judgment and commercial knowledge is of little value so long as there is Government interference, and the ever present fear of still further interference tends to prejudice trade.

*Question 1. (m)* What part the grain trade in the British Isles plays in the sale of Canadian grain in continental and other markets outside the British Isles.

*Answer:* The grain trade of the U.K. participates at present only to a moderate extent in the sales of Canadian Grain in Continental and other Markets, but this position would likely be considerably modified if and when a stability of exchange rates is established.

*Question 2.* What views are held regarding the effect on the sale of Canadian wheat of the four main methods of marketing which (either separately or in conjunction) have been from time to time in operation in Canada, namely:

- (a) The open market or competitive system.
- (b) Wheat Pools.
- (c) Government price supporting agencies.
- (d) Government grain marketing boards.

*Answer:* (a) The open market or competitive system, maintained a free flow of exports from Canada, and owing to very active competition among Traders the spread between producers' and consumers' prices was minimized. Owing to the "Futures" markets the "hedging" system also permitted the export and import of Canadian wheat at a minimized risk and cost.

The competitive system ensured that Canadian Wheat would at all times find its saleable level in international trade, enabling Traders to plan ahead. A free market is essential to U.K. Millers

in order that they may meet competition of overseas exporters of flour.

(b) The policy which the Wheat Pools adopted placed them in financial difficulties as holders of "un-hedged" wheat. They adopted a dictatorial attitude towards the Grain Trade, forgetting that such action might, and in fact did, alienate sympathy and customers.

The policy of retaining un-sold and "un-hedged" wheat in store proved disastrous. The accumulations depressed the world's markets as the Canadian price was not competitive, causing Millers to reduce their purchases of Canadian wheat to a minimum.

The Pool's belief that the World could not do without Canadian wheat proved incorrect, nor did repeated demands for the closing of the Winnipeg "Futures" Market tend to improve the sale of Canadian wheat.

Their policy ran counter to commercial practice. It is well known that Traders must frequently revise their views with regard to prices and outlook, and that trade can be carried on successfully only on the footing of compromise and adjustment.

(c) Almost without exception, Government interference has ultimately depressed prices in international trade. Supply and demand must, in the long run, defeat artificial methods.

(d) The present Canadian Wheat Board has acted on Commercial lines in friendly collaboration with the Trade. They have succeeded in selling the last Board's burdensome surplus which has overshadowed the markets for several years.

It is our view that the open and competitive system is the only sound method of marketing as is evidenced by the fact that Canada suffered severely through the attempted exploitation of European buyers.

Wheat, like water, follows the line of least resistance, finding its own level. Anything in the way of artificial control usually results in failure so far as international trade is concerned. Any action taken to prevent the consumer obtaining the supplies he requires drives him to seek his wants elsewhere.

*Question 3.* The salient features of the present situation affecting international trade in wheat and the prospective conditions likely to affect world demand and supply.

*Answer:* The fear of war and the restriction of Commercial Exchanges with Government controlled currencies causing wheat to be grown where it is uneconomic. High tariffs, quotas, subsidies, and obstructions to trade remain.

*Question 4.* Any views held regarding the cause of the decline in recent years of exports of Canadian grain, having particularly in mind

any controllable causes and measures which might be taken for their removal.

- Answer:* (a) That Canada's export policy failed to meet buyers' views forcing them to go elsewhere and rely on homegrown crops.
- (b) The attempted exploitation of buyers by the Canadian Pool did Canada a disservice.
- (c) The grading of Canadian wheat has not been regular and satisfactory in recent years. Export Official Standards are received in this country not truly representative of the actual shipments. When compared with samples of deliveries, Standards are sometimes so low that importers receiving inferior wheat have very little chance of compensation. The variety of wheat included in the modern Canadian grades is also a matter of serious complaint, as both the standards and the deliveries lack uniformity.

*Question 5.* Any future conditions which can be visualized as likely to affect the volume of exports of Canadian grain.

*Answer:* Canada, like other countries, having set up barriers against imports, cannot hope for a high volume of farm exports, it being impracticable for the buyers to pay with gold in lieu of goods.

In no circumstances do we recommend that the "Open Market or Competitive System in Canada" should not be maintained. If the Government of Canada put some low basis price upon wheat—that is a domestic matter. Any attempt to obtain something in the nature of a subsidy, open or hidden, from Importing Countries, is bound to fail.

*Question 6.* Any views or suggestions regarding the grading, storing or handling of Canadian grain which might improve its marketability and meet the requirements of customers in the British Isles.

*Answer:* Comments have been made regarding grading and freedom of marketing, which in our opinion would, if adopted, tend to increase the marketability of Canadian wheat.

#### SPECULATION IN GRAIN MARKETS IN THE UNITED KINGDOM

In the above questionnaire the question of speculation is raised. It was further dealt with at the conference. The two markets concerned were London and Liverpool. The London futures market, by the way, was opened only about 5 years ago and deals only in Canadian wheat. The following extract from the record will describe this London market, a subject of special interest to Canadians, and will indicate the position of speculation there and at Liverpool:

"Q. You are presenting the point of view that the futures market assists in maintaining a steady flow of grain to the United Kingdom. Could anybody amplify that a little?

A. Yes, as far as London is concerned, I will amplify with pleasure. We have here in London a futures market which is based entirely on Manitoba wheats. The basis of it is No. 3 Manitoba wheat with a delivery of No. 2 at 1s. more and No. 1 Manitoba at 2s. more.

Q. Is that per quarter?

A. Yes, and I think No. 4 at 2s. discount. I am not quite sure about that because it has never been delivered. There is no doubt that since the introduction of that market, from the point of view of the Canadian shipper, we can sell ahead there in very material quantities and we can either unspread it and sell the wheat to Antwerp or anywhere and backspread it, and in that way we set in motion quite a considerable volume of Canadian wheat. . . . There is no doubt that since the introduction of it the movement of Canadian wheat has been helped very materially. We sell very freely there in distant positions. . . . It has developed materially within the last two years. May I amplify that a little? There used to be in London quite a big forward market, particularly in new crop Canadian wheat for October and November shipment which would start about May and June on a c.i.f. basis.

Q. That meant simply selling cash wheat for future delivery?

A. Yes, there was no question of paying margins daily or anything like that, and the futures market has taken the place of that forward market. It lessens the risks. The differences are paid every day. . . .

Q. Would there be any advantage in turning back to the old c.i.f. practice and constituting what you call a forward market instead of a futures market?

A. It could not work at all.

Q. It did work for a time, did it not?

A. It did work years ago, because there was a great deal of speculation in c.i.f. wheat. The same thing works to-day on the basis of the futures market and the differences are paid every day. That is the difference.

Q. You speak of there being speculation in c.i.f. wheat. Is the London market a highly speculative one in which the public other than the dealer participates to any extent?

A. To a certain extent, yes.

Q. Is it becoming more so?

A. I would not think so.

Q. The suggestion is made that one of the reasons for the abolition of the Winnipeg market is that it is highly speculative.

Somebody else says, "Liverpool and London are speculative, too," and they say, "No, Liverpool and London are not speculative, at least to the degree that Winnipeg is." That is why I am asking this question as to whether London can be regarded as speculative?

A. I would say, quite frankly, that there is a degree of speculation in all futures markets.

Q. The argument that is made for the futures market is that it gives an opportunity for the general public to come in and carry part of the risk, but I wondered whether that had developed here or whether the London market was strictly participating in legitimate trade?

A. The futures market to a minor extent is used by outsiders, but it is not a big extent. Only to a minor extent.

Q. The hotel porters and blacksmiths do not come in?

A. Most definitely in the negative.

Q. Who carries the hedge; it is the man to whom you sell?

A. All sorts of persons. A miller in a distant position will buy; a London merchant will buy, and others spread one market with other markets.

Q. I was trying to get the type of man?

A. It was very difficult to say. If one market is higher or lower than another you will always find people willing to spread London with Liverpool, London with Winnipeg, London with Chicago, or London Manitobas with Australian, or anything.

Q. People who are in the grain trade?

A. Mostly."

(As to Liverpool, the following statement was made):

"The speculator is one of the most valuable assets in the Grain trade. As far as Liverpool is concerned, the speculator is carrying, I do not say all the hedges (nothing like all the hedges) because the millers are also buying, but he carries a great deal of it and we could not, as a trade, carry on the business to the extent we do and bring in wheat in the large quantities we do in this country over and above the actual present requirements if we had not got the speculator. We want him.

Q. Who is the speculator in Liverpool?

A. The general public. I do not say it is office boys, and that kind of thing.

Q. A more or less informed public, is it?

A. Yes.

Q. Do you think the speculation by the general public is increasing or the interest of the general public in the Liverpool market is increasing? We got that impression from some other individuals.

A. I should think so generally. It depends on the times and circumstances: at times the trade dwindles and the speculation is not so much. Then big wheat importers find it more difficult to do their hedging and often have to go elsewhere, but I should think generally on the whole, speculation probably is increasing a little.

Q. And you welcome it?

A. We welcome it." (Evidence pp. 10097-10102.)

I think that all the information obtained on this question of grain speculation in the United Kingdom may be summarized by saying that there is a very considerable body of this speculation, especially in Liverpool where it is apparently looked upon as one of the props of the market. But, it is not resorted to to the same extent as in Canada by the general public, that is by a large number of individuals of all trades and professions each dealing in small quantities. Speculation of this kind in the United Kingdom appears to be in fewer hands with relatively large commitments involved in individual cases. What I may call "the invitation to the public" is not held out in Britain the way it is in Canada: that is, one does not find there, as here, in the cities and towns, a large number of brokers' offices with board rooms open to the public where almost anyone may go in and "take a flier" upon depositing the required cash margin. And, of course, the facilities for speculation offered, especially to farmers, by our country elevator offices are entirely absent there. Speculation in wheat in Britain is a much more cumbersome and involved process. But there is enough of it to make it an important factor in the marketing mechanism.

As to the process which a member of the public must go through in seeking to speculate in Liverpool, I think it worth while to set out the evidence on the particular subject which was given at another conference:

"Q. We asked you with regard to the participation of speculators in the Liverpool Futures Market, and by "speculators," for the purposes of this question we have in mind the general public who are not interested in the trade at all. We have seen studies which have been made of the situation on the Chicago Market and attempts to segregate the occupational groups who operate in the Market, and one finds that everybody from lawyers to bootblacks and stenographers participate in the Market. We wanted to know whether you could tell us anything about the extent of the participation of the general public on the Liverpool Market in order to find out whether it was as extensive as Winnipeg is thought to be and Chicago is known to be?

A. You asked whether bootblacks and somebody else participated. I do not think that is done here to any extent.

Q. To follow that up; are there the same opportunities here for an individual who wants to "take a flyer" in wheat as there are in Canada? In Canada, I understand, one can go into many



stockbrokers' offices and give an order for so many thousand bushels of wheat. Here, are those facilities as readily available?

A. I should not think so. As a rule a member of the Liverpool Corn Trade Association, before he will take the name of anybody who wants to speculate, will make inquiries to see if he is of sound financial position.

Q. That is to say, he will not just simply take a deposit on margin—10 cents a bushel, or something like that?

A. No.

Q. That is not good enough?

A. No.

Q. Question No. 2: If I, an individual, did want to buy the minimum number of loads of wheat to whom would I have to go?

A. If you wanted to buy, you could go to any member of the Association.

Q. It would have to be some member of the Association?

A. Yes; or, if you were outside, one of the Subscriber-Brokers.

Q. Are there many of those Subscriber-Brokers?

A. No; they are limited: between 60 and 70.

Q. All over the British Isles?

A. All over the world. You must remember the unit of the Association is not a small unit that you can trade in. You cannot trade in under 4,800 centals (8,000 bushels), and the margin calls are made daily.

Q. I think our margin calls are made daily. Probably here the units are larger than they are over there. You do not simply take margin as an index of ability to trade?

A. No.

Q. Take Liverpool as an example. Supposing I were an individual who wanted to purchase a minimum parcel, I would have to telephone a member?

A. Either members of the Association or a Subscriber-Broker.

Q. Are those Subscriber-Brokers all over the City?

A. There are 60 or 70 of them, and they are not all in Liverpool. They are spread out all over the world.

Q. How many would be in the British Isles—half of them?

A. Quite that; probably more. There is quite a big group in Liverpool alone." (Evidence pp. 10316-10318.)

At this last conference, as on every other proper occasion, the question of closing the Winnipeg futures market and instituting a Government Wheat Board to handle the whole of the Canadian crop was discussed at length, these two measures being considered as going together, the futures market disappearing and the Board stepping in. The view was expressed unanimously that the closing of the Winnipeg market would injure the Canadian trade, would remove the hedging of Canadian wheat to Liverpool and thereby depress its price. Also it was asserted that a Govern-

ment Selling Board would not meet with favour and would probably be unable to function satisfactorily in what is a competitive market. Examples were given by millers and others of certain transactions in Canadian grain between merchants and millers, now possible with the Winnipeg market open for hedging which would become impossible if it were closed, for which a Board could not provide, and which would mean so much less trading.

#### AUSTRALIAN AND CANADIAN WHEAT CONTRASTED

Questioned as to how Australian wheat managed to get along without the existence of a futures market in Australia, the answer was:

"It is not quite the same as the Canadian crop. For one thing it is nothing like as big, and, for another thing, there is a very limited market for Australian wheat. It is hedged here."

From the selling standpoint there is this further radical difference between Australian and Canadian wheats. Australian wheat is merely used as a "filler" and can be marketed and sold rapidly. It comes on the market about 6 to 8 months after the harvesting of British domestic and continental wheats which likewise are "fillers." On the other hand, the milling properties of Canadian wheat are such, as was said in the article from *Wheat Studies* referred to in another chapter,

"as require, for their most effective utilization, that it be fed into consumption more or less uniformly throughout the year."

This uniform marketing is brought about by the use of futures trading by importers, which enables them to secure their requirements in advance.

#### CANADIAN GRAIN AND UNITED STATES PORTS

Representations were made by the Liverpool Corn Trade Association regarding the difficulties in obtaining the British preferential tariff on Canadian wheat shipped to the United Kingdom via United States ports. On looking into the question, I find that it has been before the Government for some time and is receiving attention.

#### THE AUSTRALIAN POOLS

In London we had the advantage of a conference with representatives of the (Australian) Overseas Farmers' Co-operative Federation Ltd., and of the Wheat Pool of the State of Western Australia. It is the function of the Federation to find markets for commodities sent to the United Kingdom by co-operative associations in Australia. Among these commodities is the Pool wheat. The method of contracting between the pool and the producer is quite different from that followed by our Canadian Pools. I set it out here from the record, as it was given. It is evidence which may be of practical use, and it would be hard to summarize satisfactorily:

"Q. What is your contract between your Pools, the Members of your Pools, and the Pool itself as to the delivery of the wheat? That is to say, must a Pool member deliver all his wheat to the Pool?

A. No; we have found that that is not quite practicable, and we have fixed the limit usually about 50 per cent of his wheat. We actually do not fix a contract at all. We ask him to give us a written promise; we accept those promises. We find that growers sometimes break those promises, and we enquire into the reasons; if he has a good reason we take no notice; if, on the other hand, he has broken his promise just simply to take some temporary advantage, we put him on the black list and refuse to accept a promise in the future from him. There are a number of men from whom we refuse to accept promises.

Q. Do you find any advantage in such promises?

A. Yes, because it gives you some guide. Although the farmers are not definitely tied, they usually feel a moral obligation which they live up to. We would prefer to have them under a moral obligation than one which compels them to do something they do not want to do, and which may be, therefore, more irksome to them; we think a moral suasion is better than a legal one.

Q. When you say a promise provides you with a guide, I take it you mean that it gives to you, as managing the Pool, some idea of the amount of wheat which you probably would have to handle and, therefore, you can make forward sales, or make your arrangements for disposing of the wheat to some better advantage?

A. That is so. Firstly, the procuring of the money; we want to know how much we would have to arrange for, and with us the chartering of vessels is very important indeed, because we do not have parcel shipments as you have; it is practically all full cargoes, and we have to charter well ahead to get ships into Australian waters.

Q. What is the advantage to a man pooling at all? He does not have to sign his contract or make his promise right up to the time that he drives up with his wheat?

A. No; we fix a date a month before harvest opens that these promises must be in. Then we fix a date by which deliveries must be in. We have just put in bulk storage in Western Australia; they get a warrant for that, and if we were not to fix a date, they would hang on to the last minute and just see which way the cat jumped, and perhaps not give us the wheat at all.

Q. Does it mean that you do not accept wheat from a man on the pooling basis unless he has made the promise a month before?

A. That is so.

Q. That is to say, I cannot decide just a day or two before I deliver my wheat to pool it?

A. No. It is a month before the season opens, usually about the middle of October.

Q. In that contract, or in that promise, shall I say, is there any obligation at all upon the part of the Pool?

A. Just the obligation to carry out the terms of the warrant that we give the grower, and on the warrants are printed the conditions of the Pool. That has now been revised, because the Government has passed an Act of Parliament which sets these out, and, therefore, we just simply refer to the Act covering it.

Q. We will get the Act and the contract?

A. We can get the Act at Australia House, I think.

Q. Could you get a copy of the contract?

A. It is practically scheduled in the Act now; we can get one in town.

The COMMISSIONER: What is the year of the Act?

A. The Act would be about 1933.

Q. Is it an Act of the Commonwealth?

A. No; of the State.

Q. Which State is it?

A. Western Australia. May I say here that each State in Australia is entirely separate in all its dealings with wheat? We are not like you where the whole wheat flows through one channel. Each State's wheat is exported from that State only, and is sold through its own Pool."

It must be noted that the Federation sells not only Pool wheat, but also other Australian wheat, not pooled.

In answer to questions respecting the proposed closing of the Winnipeg Futures Market, the following was said:

"Q. From the point of view of Australia, have you anything to say with regard to the abolition of the Winnipeg Futures Market? Would it have a good effect or a bad effect, so far as you are concerned? Perhaps what might have a good effect might have a bad effect on us, or the reverse?

A. If we could use the Winnipeg Wheat Market again, we would like to do so, because we do not like to trade in a narrow market such as Liverpool for all our futures transactions. While I realize that there is a great deal of objection to speculation on these futures markets, that very speculation does broaden the market, so that if people like ourselves happen to have a heavy day's transactions to cover, it is not nearly as serious as if that market is kept very limited, and, while it may be objectionable to people who do not like the gambling on the market, I must say that from a trader's point of view, it does help us.

Q. Does that mean that there is more speculation or more speculative interest to carry the hedge in the Winnipeg Market than in Liverpool?

A. Yes, I think so. . . .

Q. Then what about the Pool itself? Does it find it has to make use of the futures market also?

A. The Pool does, occasionally. When it has got into a position when it thinks wheat should be disposed of, but cannot sell it as real wheat, then sometimes it sells futures instead and then closes the hedge when the wheat could be sold."

The members of the National Federation of Corn Trade Associations told us that they got along very well with the Australian Pools because, they said, "They are voluntary pools and work with the trade and not against it."

#### SELLING IN GREAT BRITAIN

Before leaving this subject of the operation of the grain trade in the United Kingdom, there is one other point to which I think it well to refer. It will be remembered that one of the first things Mr. McFarland did upon assuming the management of the Pool's Central Selling Agency in 1930 was to close the Agency's overseas offices and to adopt the policy of selling through the ordinary channels of trade. I am satisfied that this was the best policy to adopt, at least in the United Kingdom. Akin to the question thus raised is this other, which was discussed before me on several occasions: in selling Canadian wheat is it advantageous to employ agents who sell no other wheat, such as Argentinian, Australian, etc., but only Canadian: I have formed the opinion, from all I have heard, that it is not advantageous. No miller buys Canadian wheat exclusively, and I think he prefers to deal with a merchant who can furnish him the different kinds he wants and can afford him the opportunity of comparing prices, etc. A merchant who has only one kind of wheat to offer to a miller is, I think, at a disadvantage. And this applies likewise to sellers of Canadian flour.

In this chapter I have devoted a great deal of time and detail to the British market, its capacity, its position, its manner of carrying on trade. I have thought it well to do so because this market is, and very probably will remain, by far our best customer. I have before me figures, available now for the first time, showing the quantities of our wheat received into the various countries of Europe. They show that, in the crop year 1936-37 the United Kingdom alone took nearly 82 million bushels of our wheat, while the rest of Europe, including the Irish Free State, took approximately 54 million bushels. Belgium is our second best customer with 16 million bushels. As these figures are useful for various purposes besides that of demonstrating the present superiority, in respect of our wheat, of the British market, I set them out here in full, and alongside I

give the corresponding figures of Argentine wheat exports. As the Argentine is now our chief competitor, this comparison will be interesting, as well as instructive.

CANADIAN AND ARGENTINE WHEAT EXPORTS TO THE UNITED  
KINGDOM AND CONTINENT, BY COUNTRIES OF DESTINATION

Country	Canada	Argentina
	(Board of Grain Commissioners) Aug. 1936- July 1937	(National Grain and Elevator Board) Dec. 1936- Nov. 1937
	(Bushels)	(Bushels)
United Kingdom.....	81,901,064	28,740,000
Irish Free State.....	4,507,684	232,000
Austria.....	22,931	291,000
Belgium.....	15,994,766	15,707,000
Denmark.....	4,491,399	765,000
Finland.....	1,117,132	693,000
France.....	6,255,301	1,478,000
Germany.....	3,764,610	6,047,000
Greece.....	2,137,226	7,727,000
Holland.....	6,900,035	16,331,000
Stored in Holland.....	95,108	
Italy.....	4,887,132	29,746,000
Latvia.....	-	615,000
Malta.....	274,467	-
Norway.....	3,806,611	1,998,000
Portugal.....	-	4,000
Spain.....	805,692	396,000
Sweden.....	923,402	411,000
Switzerland.....	2,355,092	37,000

In so far as the countries of Continental Europe are concerned, the above table shows their respective positions as consumers of Canadian wheat. On the Continent we had the benefit of interviewing millers, merchants, brokers, and also the officers of several of the large international firms which trade in Canadian wheat. The millers use the futures market very little. The merchants who deal in Canadian wheat make use of the Winnipeg futures, and so do, of course, the large international grain traders. One merchant in Belgium told us, however, that he did not hedge his purchases. There is also a futures market at Rotterdam which is used by Dutch traders, but most purchases of wheat in Canada are hedged in Winnipeg. Numerous complaints were made of the action of the Pools in trying to secure prices which were too high. These complaints had reference to the situation in 1929 when the Winnipeg market was much out of line with European markets, and the disposition was to blame the Pools for this. I think that on some of these occasions these complaints had their origin in some of the statements made at that time by Pool officials and organs and mentioned elsewhere in this report. The reference to these was not specific but the allusion was sometimes sufficiently clear. On other occasions remarks of an unfavourable kind made in respect to the Pools were really intended to refer to the years of stabilization measures.

In any event there was everywhere a strong feeling against any attempt to hold Canadian wheat prices above ordinary world levels, or to withhold supplies from the market. Since these attempts were attributed to organized selling and government intervention, there still remains on the Continent a distrust of government boards, especially, of course, of a monopoly board.

Regarding the actions of the Canadian Wheat Board in 1935-36, some complaint was made, on two occasions, that the selling policy of the Board caused losses to European speculators, who had invested money in grain futures when the Argentine government fixed a high price on the country's wheat in December, 1935. These speculators lost money, or did not make any, because world prices did not rise as they had expected. There was a disposition to blame this disappointment on our Board's selling policy. We did not hear any complaint of this nature in the United Kingdom.

On the whole, though, satisfaction was expressed on the Continent with the freer selling policy of the Canadian Wheat Board in 1935-36.

## CHAPTER XII

### FUTURE MARKETING POLICY

In the concluding portion of Chapter IX, I noted those causes of the decrease in our wheat exports in recent years which have had their origin in Canada, and I expressed the opinion that, from now on, with fair crops, we should receive our good share of overseas markets. It is possible, as I have said, that this share may be increased, or perhaps new markets opened, by the making of trade agreements with other countries. But, in my opinion, nothing is more important at present than the adoption by this country of a selling policy which will dispel ill-will abroad and give the highest possible measure of satisfaction to our customers in their day to day dealings with us. We must meet competition fairly, but competently, and the lessons of the past which I have reviewed show that satisfaction to customers and abstention from actions which breed suspicion and alarm are important elements of successful marketing, because they help to maintain and to extend markets. At the same time the individual producer must feel that markets are not being maintained and extended at too great a sacrifice to his personal interests as reflected in the prices he receives. He must be satisfied that the service he is getting assures him the highest return reasonably obtainable for his product.

In proceeding now to state the opinion I have formed regarding a marketing method for Canadian wheat, I shall first deal with the problem on the basis of normal conditions existing at home and abroad, that is conditions which do not call for action of an unusual nature involving a departure, more or less temporary, from settled and approved business practices. Our policy should then be the continuation of the futures trading market at Winnipeg and the encouragement of the building up of producers' co-operative marketing societies, organized and conducted in a manner approaching, in so far as practicable, the organization and business methods of the Australian Pools to which reference has been made and which have been in successful operation for many years. I have in mind Pools organized on a flexible, voluntary basis, not necessarily of great size, selling in line with market conditions, and operating overseas "with the trade and not against it" as was said in reference to the Australian Pools. Such Pools should, in my opinion, make use of the futures market, not for speculation, as by long buying, but for hedging purposes such as the securing of a price, "when prices look attractive" as was said in 1924 by the Manager of the Alberta Pool; or again "to accommodate the buyer" as was also said on that occasion, care being taken in such last case to avoid speculation.

To repeat here what I said in an earlier chapter, the test of a trading system, from my point of view, must be the superior advantage which it



is found to have, over other systems, for the Canadian wheat grower. This advantage will be evidenced by the capacity of the system to obtain a good price for our wheat and to increase the volume of our sales. In measuring the capacity of a system to attain these objects, regard must be had to two things: its fair and efficient operation in Canada, and its effect upon our overseas markets. Having regard to these considerations, I am convinced, from all the knowledge I have been able to acquire on the subject, that the futures trading system, despite its imperfections, is the one best qualified to look after the interests of our producers, at home and abroad.

I have mentioned the "imperfections" of the futures trading system, and I know that, in the eyes of many, the greatest of these is its dependence upon the speculator. And the fact must be faced that this dependence, while not absolute, is substantial not only in Winnipeg but in Liverpool, as the evidence shows. It has well been said that there are only three classes of buyers in the wheat market: (1) those who have immediate need of the wheat, (2) hedgers who buy to insure their transactions, and (3) speculators who buy and hold in the hope of making profits but also at the risk of making losses. When buyers of this last class are absent, or are present only in small numbers, the market becomes weak and prices fall. This was the situation which existed in 1931 when the government was urged to send somebody into the market to take the speculator's place, and the situation was met by the institution of stabilization measures.

Many of our producers object to speculation in grain markets on moral and social grounds, and this sentiment must not be made light of, but must be treated with all respect; just as in the case of others who may receive with disfavour the suggestions I intend to make later on respecting the production of malt barley, and may refuse on principle to grow it, because malt barley is used in the manufacture of alcoholic liquor. In the one case as in the other, all the conscientious objector can do is to refrain from the exercise of the practice which he deprecates because speculation in our wheat, like the growth of malt barley, is going on anyhow in many parts of the world. Speculation takes place in all futures markets, wherever situated, and Canadian wheat is one of the factors of this speculation. It cannot be doubted that the closing of the Winnipeg exchange would greatly increase the volume of futures trading in our wheat in other markets, and the volume of speculation along with it. It is true that the Winnipeg market has not always been a fully satisfactory one. It has sometimes been out-of-line through causes which I have examined and which should be avoided in the future. Nevertheless I cannot help but feel that its closing would have a depressing effect upon our marketing, and would merely help to build up other markets without any corresponding advantage to ourselves. This was the effect of the prohibition, in 1896, of futures trading in Berlin.

"In 1896 the Berlin Produce Exchange, which had been the leading Continental grain market, was virtually put out of business

by a popular agitation resulting in a law prohibiting futures trading. This undoubtedly assisted Liverpool to capture all the European hedging business which was not placed in Chicago." (Hooker, "The International Grain Trade," at page 9).

Speaking of this same incident, the Stamp Report says at page 66:

"The prohibition of business in options and futures (in Berlin) continued to paralyze business by making an effective insurance against loss extremely difficult, and at all events very expensive, because foreign markets, such as New York and Chicago, had to be resorted to." (The Produce Exchange and dealing in options were shortly afterwards reopened.)

Referring particularly to price fluctuations, which are much complained of, I am not at all convinced that these would be substantially lessened by a transfer to other markets of futures trading in our wheat. Fluctuations will take place in any case and the effect of futures trading appears to be to lessen them in their long term monthly or yearly aspect, which is an advantage, although it tends to increase them in their hourly and daily aspect, where they are sometimes referred to as "oscillations." These oscillations are annoying but are at the same time a necessary accompaniment to the advantageous working of the system in relation to long term fluctuations. I have discussed this subject elsewhere. In any event, these fluctuations, in both aspects, would continue in other markets and would react on our marketing.

But if the closing of the Winnipeg Grain Exchange did nothing else, it would surely remove trading and speculation in our wheat to places altogether beyond our jurisdiction, and matters of complaint, now existing and which might continue, or new matters of complaint which might well arise, would be open to no remedy which we ourselves could apply. I think it is advantageous, if there is bound to be futures trading and consequently speculation in our grain that these be kept, as far as possible, within our own control.

If this is done, and the Winnipeg Grain Exchange is allowed to remain active, the producer who is antagonistic to speculation may still do his share towards reducing it by refraining from it himself, or by joining one of the Pools I have suggested and which should all be prohibited by their constitution from speculating.

#### PROPOSED COMPULSORY WHEAT BOARD

The demand made before me for the abolition of futures trading in Canada was always accompanied by a further demand for the creation by the Government of a permanent National Wheat Board, whose duty it would be to take over the whole of our wheat crop each year and to market it both at home and abroad. According to this proposal, the Board would act as did the Board of 1919-20, making an initial payment to the

producer and allowing him to participate in whatever profits were realized each year. It was freely admitted that to close the Winnipeg Grain Exchange without setting up such a Board would be to create a most disadvantageous situation for our producers.

It may be well to note again here that the 1919-20 Board operated for only one year, at a time when futures trading was suspended in the United Kingdom, and when all buying there and on the Continent was done through Government Boards or Commissions. And moreover, that Board did not have on its hands the problem of selling in shrunken markets with keen competition and the possibility of excess supplies.

This proposal of a compulsory Government Board has preoccupied me more than anything else since the beginning of this inquiry. It was asked for by nearly all the farmers' organizations, and by a great many of the individual farmers, who appeared before me. It is a naturally attractive proposal at first blush, particularly after the many hard years our people have gone through. The idea of government support to marketing undoubtedly produces a sense of relief and security, and insufficient consideration is often given to the effect of such a policy on overseas importers. On the other hand, however, the feeling on the subject is by no means unanimous. Many farmers prefer to do their own marketing, and resent a compulsory taking over of their crop by a government Board or any other organization. Very few, I believe (if any), object to the operation of the present non-compulsory Board created under the Act of 1935.

Whatever attractions a compulsory government Board may present at first sight, its practicability, in my opinion, will not stand analysis, either from the point of view of overseas markets or that of domestic conditions.

I have no doubt that the creation by Canada of such a compulsory Board, that is, a complete selling monopoly of Canadian wheat, would be regarded abroad as a further restriction upon the freedom of trade and commerce, coming at a time when our efforts should rather be directed toward the removal of such restrictions. Within the ambit of the grain trade itself, that is, in the eyes of millers, merchants, etc., it would of course be considered as an attempt or a design to revert, in more intensified form, to the situation which existed, and which came in for unanimous criticism overseas, in the last years of Pool marketing and under stabilization. It would meet, I am sure, with antagonism, at least passive, and perhaps even active in some places. There can be no doubt that our overseas customers dislike and distrust monopoly, in itself, and also because there is no saying where successful monopoly might lead, and they will certainly not contribute to making a success of it. We would consequently be going into diminished markets, among many free competitors, under a great handicap; because goodwill is in itself a considerable aid in business and its importance in our grain trade is greater now than ever before. Besides, the technical position of such a Board would be most delicate. The great volume of its holdings would add to its difficulties, because it would be under constant observation, and its actions in times of uncer-

tainty would have a magnified effect upon the market. In regard to its difficulties, these have already been touched upon. Not the least of them is the fact that there could be no bargaining in Canadian wheat as there is now and as there would continue to be in respect of other wheats. There being only one seller, there could be only one price to all buyers, instead of a number of merchants and agents, all dealing in our wheat, but on a competitive basis by reason of their different positions, as was exemplified in the evidence given in London and quoted in Chapter IV.

The situation at home would also be disadvantageous to the producer, in my opinion. This opinion is held by many whose experience qualifies them to express well-considered views. Mr. John I. McFarland, who gave so much of his time and his ability to handling stabilization and who was the first Chief Commissioner of the Canadian Wheat Board, did not favour the closing of the Winnipeg Exchange, nor did Mr. J. R. Murray, who succeeded Mr. McFarland as Chief Commissioner. Mr. McFarland thought that our best policy for the future was to continue the futures market, under supervision, with the present Wheat Board in operation, but he was opposed to a compulsory Board except in case of emergency:

"Q. With regard to the future, Mr. McFarland, have you any suggestions which you would care to make for the information of the Commission?

A. Well, I wish I knew what suggestion would solve the future. I do not think anybody really knows definitely what would solve the future, but I still think the Wheat Board Act under which I operated for about three months, and that same act is now in effect, with a minimum price, is the best thing that I can think of, and coupled with that there should be some sort of further legislation such as they have in the United States under the Futures Administration Act to check into the operations of futures dealings. But I think there should be a minimum price and the market permitted to operate above that price in the hope that the world may be coming back to equilibrium, and it would continue to function for years to come. You can never tell." (Evidence, p. 7415.)

"Q. I ask that because proposals have been made here from time to time, as you know, that the Board, when constituted, should have control of all the wheat in the country. Do you suggest that?

A. No, I do not, unless an emergency arose such as we went through in 1932, 1933 and 1934, when there was such a great surplus not only in Canada but throughout the world, and then it might be necessary to call into operation those clauses which were dormant in the present Act.

Q. In other words, would not the Board really be an emergent organization set up all the time, but only actually functioning in emergencies?

A. To be prepared, yes." (Evidence pp. 7421-22.)

Mr. Murray also thought that a compulsory Board would prove disadvantageous. He favoured supervised futures trading and pooling.

Any group of men endeavouring, with the best intentions in the world, to make a success of selling wheat would be exposed to a great deal of criticism and would find themselves in a most unenviable position in times of stress and uncertainty. Mr. Brett's evidence shows the vulnerable position the officers of the Pools' Central Selling Agency were in in 1929-30 and how the apprehension of criticism by their constituents hampered their freedom of action. It is true that, under the proposal, there would be no Winnipeg futures market quotations to give producers a false idea of values, as was the case in 1929-30. But there would be other market quotations almost if not altogether as accessible under present conditions of news distribution. Moreover it must be remembered, when this distinction is set up, that Pool officials and organs, in their public statements made at the time, did not claim that Winnipeg prices were too high, but, on the contrary, honestly believed them to be justified, and some actually thought that the Pools themselves were making them. In any event there is always that post-factum wisdom and knowledge which critics are ready to make use of.

Any restraint or exposure to criticism which the officers of the Pools may have laboured under in their time would be much more liable to be found in the case of members of a compulsory Government Board. The Pool officials were responsible only to men who had joined the organization voluntarily, who had taken part in the appointment of the officials, and who believed in the system. But the members of a Board would be answerable, not only to producers who believe in a Board, but to the great number who do not believe in it, who wish to be left to do their own business, and who protest against what they consider to be high-handed government interference. Some of these producers gave evidence before me.

I must say also, that, having in view the experience of the past, I am afraid that a Board set up as a permanent institution, operating under all conditions, would suffer more and more, as time went on, from the atmosphere of political controversy that would surround it. I would prefer not to have to introduce this subject, but the evidence upon it is before me and the producer has the right to know about it and to give it his consideration when making up his mind as to where his interest lies. With their own experience behind them both Mr. McFarland and Mr. Murray had something to say on this subject which they considered of first importance.

Mr. McFarland said in his brief, Ex. 360 ( I quote from the printed copy furnished by Mr. McFarland at page 27):

#### " HARMFUL INTRUSION OF POLITICS

In 1930 our country was facing a crisis, and it never occurred to me that politics would be a disturbing factor. Had I known

such a situation would develop I would not have undertaken the job, for I am not a politician and have never had political aspirations. However, I do wish to acknowledge the fact that I received from all political parties a remarkable measure of tolerance and support up to 1934-35, or just prior to the time when the next federal election became an interesting subject. As a result of this intrusion of politics the problem was made increasingly difficult and complex. Continuous and widespread criticisms appeared in newspapers and periodicals, and not only created suspicion and misapprehension, among the people of Canada, but also tended to destroy confidence in importing countries, as well as in other exporting countries."

The following excerpt from Mr. Murray's evidence is to the same effect:

"The criticism which has been directed against our operations illustrates what will always be one of the greatest difficulties confronting any government board, namely, satisfying the producer and parliament. Wheat is a commodity subject to the play of constantly changing conditions. In selling wheat the very nature of the problem—when, how much, and at what price to sell—is such that there must always be differences of opinion as to the best course to follow. Any board has to reach decisions and act in the light of facts and possibility as they see them and honest criticism, no matter how severe, need not be a cause of concern to anyone. There is another class of criticism. Some individuals for reasons best known to themselves, make their contribution to our wheat problem in the form of speeches or statements containing what can only be described as false statements. As people will listen to them and believe them, ignoring them simply assists them in killing the operation of the system they profess to uphold. It may be important to assess the probable effect of continued criticism on any future wheat board in their handling of the particular marketing problems that they will have to deal with from time to time."  
(Evidence pp. 8934-35.)

It is perhaps impossible to exclude any government appointed body from public criticism; but the fact that the members of such a body will sometimes believe and feel that the criticism to which they are subjected is unfair, and of a nature to mislead those whom they are trying to serve, is something that will surely militate against the continued efficient performance of their duties. All this is bad for the producer. His interests are best served when politics are dissociated from his business.

For the foregoing reasons, founded upon both overseas and domestic conditions, I cannot recommend the compulsory marketing of all our wheat by a government Board, at least so long as there is free, open marketing in the United Kingdom with futures trading carried on in Liverpool,

London, etc. If the situation should change by reason of war or any other great emergency the government would, of course, take any measures that might then appear to it advisable.

#### GOVERNMENT ASSISTANCE

In most of the representations made to me for the creation of a Wheat Board the underlying principle seemed to be that of a government guaranteed minimum price for wheat. Conditions may well recur where the government will feel in duty bound to assist wheat growers, by protecting those who have a crop against a disastrous fall in prices, or by providing in whole or in part for the subsistence of those who have no crop or an insufficient one. These two cases of need may occur at the same time or at separate times. In either case, there is no necessity of setting up a compulsory marketing Board to deal with the situation.

#### SUGGESTIONS

I am therefore of the opinion that under what may be called normal conditions—open markets in the United Kingdom, a fair relationship between world supply and import demand, and no danger clouds on the immediate horizon—the Government should remain out of the grain trade, and our wheat should be marketed by means of the futures market system (under proper supervision), and encouragement given to the creation of co-operative marketing associations, or Pools. The Government's activities should, I think, be confined, under these conditions, to such helpful action as I have already indicated and such as I shall refer to presently: trade agreements, assistance to commercial and economic research, to the gathering of information, to promotional services, etc.

The question may well be asked, "why should the Government give any special assistance to wheat marketing?" It has abundantly been shown in this report that in the past no commodity has contributed more than wheat to the wealth and the export trade of the country. The settlement of Canada's prairie regions was from 1870 onwards a fixed principle of Canadian policy. It will be found in an Order in Council of Sir John A. Macdonald's Government of May 30, 1884, and was formally adopted and reiterated by Sir Wilfrid Laurier on February 21, 1905. Through all the years and down to recent times great efforts were made to induce the flow of population to those territories. In the last years of the World War, when the world was said to be facing the prospect of famine, propaganda was conducted under government auspices urging our farmers into the greatest possible production of wheat. These lands were again selected for soldiers' settlement after the war.

And within the area comprised in this policy of settlement and production, we have that great district which has become known as the drought area, large portions of which are fitted to produce many million bushels

of the best wheat in the world, and nothing else in large quantities. The area I now refer to produces in normal years about 100 million bushels (and has in some years produced a much greater quantity) of this distinctive high-protein wheat which has given Canadian wheat its splendid reputation. Its only alternative uses are a reversion to grazing and the production of some rye and oats. But as long as the export trade in wheat continues, and especially if world trade comes into a period of greater expansion, Canada will have, with suitable weather, a most valuable asset in the produce of this area.

#### SUPERVISION OF THE EXCHANGE

It appears to me that the best method of supervising futures trading on the Winnipeg Grain Exchange would be to place the responsibility upon the Board of Grain Commissioners. An independent organization would be more costly to maintain and would not have at its disposal the general information about the grain situation that is available to the Board. This would involve the appointment under the Board of an official, technically qualified, with such clerical assistance as would be found necessary, who would conduct the routine operations of watching and reporting upon the state of the market. He should have authority, under the Board, to secure full information from brokers or operators on the exchange, from clearing house officials, and from officers of the exchange itself. He should be constantly in touch with the market and with the Board. It would be his responsibility to report immediately to the latter any indications of a condition arising prejudicial to the public interest from short selling, buying futures, or from any other form of speculation.

The Board of Grain Commissioners on its part should have jurisdiction to inquire into any situation in the futures market either upon its own motion or upon complaint made to it and should have general powers of remedy, such as fixing a delivery price in the event of a "corner" or "squeeze," determining margins and fixing the limits, if found necessary, of open lines capable of being carried by an individual trader or corporation. It should also have the power to decide what facts of a general nature should be made available to the public as indicative of the state of the market.

The Board should have the right to make orders and regulations, not inconsistent with its expressed powers, superseding in case of conflict, the by-laws and rules of the Exchange. Breaches of the Act, orders, or regulations should be punishable, after hearing, by suspension of the offender from trading by the Board or by proceedings taken under the general penalty clauses of the Canada Grain Act (Sections 159 and 160).

#### CANADIAN WHEAT INSTITUTE

Some years ago a proposal came from the United Grain Growers Limited for the creation of a Canadian Wheat Institute. It was submitted



to me again on this inquiry. The original proposal called for the creation by charter under the Companies Act of a body having in view the following main objects:

- "(a) To promote the use of Canadian wheat and other grain grown in Canada, and the products thereof, throughout the world.
- (b) To collect, compile and publish information concerning conditions throughout the world affecting the marketing of grain grown in Canada for the purpose of making such information available to public and private bodies."

The method of organization and membership and financial support of the corporation are set out in exhibits 689, 690 and 691 filed by the U.G.G., and I need not detail them here. The proposed work is valuable and I think it deserves approval. But I suggest for consideration, as an alternative method, the carrying on of the work by a government-appointed body, on the ground that the undertaking is one of national interest. In the submission made to me it was stated that:

"A substantial start along the lines proposed has now been made by the Canadian Wheat Board. It seems to this Company that the need for such work has been fully established. The essential problem is how it should be carried on and how financed.

"With the continuation of the Canadian Wheat Board as a permanent body, it is the recommendation of the Company that such work be carried on by the Board. It could be satisfactorily conducted by that body and duplication of machinery could be avoided.

"If the Wheat Board should at any time be discontinued, the Company believe that a Canadian Wheat Institute or similar body should be established."

It is true that the Canadian Wheat Board has been carrying on work of the nature in question which should be continued. When I say that the present work should be continued, I mean of course, with such changes, additions, etc. as experience may show to be desirable, from time to time.

#### ATTENTION TO OVERSEAS COMPLAINTS

Any feeling that may exist in the United Kingdom that complaints affecting shipments of Canadian grain are not dealt with as expeditiously as possible, or that the method employed in deciding whether a complaint is justified does not give the complainant sufficient consideration, must be treated very seriously.

It would be well, I think, if Canada had a representative in London whose duty would be to investigate on the spot complaints arising out of grain shipments and to report direct to the Board of Grain Commissioners at Winnipeg. This officer should have sufficient technical knowledge of

grain to enable him to clear up minor misunderstandings about the standards of the various grades. Where dissatisfaction existed over the quality of a consignment he should procure representative samples from it for immediate dispatch to the Board. In instances where the complaint related to a shortage in weight he should conduct an investigation at the port of unload for transmission to the Board. Such an officer would undoubtedly remove many misconceptions, speed up the procedure for dealing with complaints and eliminate irritation caused by delay in their disposition.

I think that preferably this officer should be attached to the Board of Grain Commissioners but for general administrative convenience he should be in contact with Canadian Government agencies in London, Liverpool, Bristol, Glasgow, etc., and at nearby points on the continent.

In order to ensure the greatest degree of efficiency possible before taking up his duties the officer should spend several months under the direction of the Board familiarizing himself with practice in the inspection department, with the routine of weighing and delivery to vessels, and with such aspects of the work of the Grain Research Laboratory as are likely to prove useful to him. Further, in order to keep abreast of the Canadian grain situation, he should spend the month of August each year with the Board in Winnipeg in intimate touch with the inspection department and the Laboratory so that he would be fully acquainted with the characteristics of each crop as it became available for export shipment.

Apart from his primary duty of investigating complaints such an officer should be able to supply reliable information on the general trend of marketing conditions for Canadian grain in the United Kingdom and on the Continent.

At the present time when a sample of grain is received by the Board of Grain Commissioners in connection with an overseas complaint the practice is to send it to the Chief Grain Inspector for Canada who examines it and makes a full report to the Board upon its quality and its eligibility for the grade for which it was sold. The movement of the shipment in question is also traced back from the port of unload through the various transportation links to the place of shipment from a Canadian terminal. If the Board is of the opinion, in view of the Chief Inspector's report, that the quality of the shipment is below the export standard, in cases of direct consignment from a Canadian port, it recommends to the Government that an allowance be made to the overseas purchaser to compensate for the deficiency. A defect in this procedure is that in making a report on the quality of the sample submitted to him the Chief Grain Inspector is passing upon the work of his own officers. I think consideration should be given to the advisability of making a change in this practice by providing for the submission of the overseas sample in the first instance to the appeal tribunal at Winnipeg, which rules in disputes over the quality of grades of grain moving eastward entering into trade in Canada. Upon a finding as to the grade from this tribunal the sample could then be submitted to the

Chief Grain Inspector for full analysis, tracing of the shipment and his comments. With this change a British or foreign importer would have the assurance that he was receiving precisely the same treatment as the Canadian farmer or grain merchant. The principle involved in this suggestion is really that of equality of treatment.

If an officer were stationed in London to receive and investigate complaints it is likely that at the outset, at any rate, there would be more complaints made with increased compensation payments possible. But it must be remembered that the present slow and unsatisfactory method probably limits the number of complaints while provoking discontent. During the last five fiscal years there has been an average of 15 complaints yearly on the quality of shipments and an average of between 6 and 7 yearly on shortage in weights. During this period allowances recommended by the Board and paid totalled \$7,186.33, or on the average \$1,437.27 yearly. For the same period the value of the average annual Canadian export of grain to the United Kingdom and the Continent is estimated at \$140,546,590. In view of the magnitude of the trade and its importance to Canada every reasonable effort should be made to satisfy the importer. A considerable increase over the present amount paid by way of compensation to purchasers in the event of dissatisfaction would still be a very small percentage of the annual value of grain exports. In the physical handling, inspection and weighing of such a vast quantity of grain annually, it must be recognized that even with the greatest of care, there will be a margin of error. In addition to subjects of complaint requiring compensation, there are others of a more general kind that should receive attention. I have referred to some of these in Chapter VIII.

Finally, members or a member of the Board of Grain Commissioners should visit the United Kingdom and the Continent every two or three years not for the purpose of dealing with specific complaints but to meet associations and principals and to discuss with them any problems of a general nature requiring consideration. This would tend to solve major problems and to inform the Board upon desirable changes in legislation or policy.

By these methods I believe that whatever dissatisfaction there may be with the Canadian system of marketing grain on the basis of certificate final could be greatly reduced.

#### EX-EUROPEAN MARKETS

While there are a great number of countries outside Europe that import wheat, the quantities imported, with a few exceptions are quite small. Mr. Cairns lists 22 European wheat importing countries and 119 importers outside Europe. About 40 per cent of the world wheat and wheat flour imports have been taken by the United Kingdom in recent years, a similar percentage by Continental Europe and the remaining

20 per cent is scattered among the 119 ex-European importers mentioned above. Among these latter countries, the most important are in South America, Brazil (importing 30 or 35 million bushels), Bolivia and Peru (importing 5 to 6 million bushels), and are mainly supplied by Argentina. Japan, China and Manchuria were at one time important markets for Australian and Canadian wheat, but the trend of imports there has been definitely and swiftly downward until, in recent years, this market has been taking practically negligible amounts of wheat. Certain African and Asiatic territories also import small quantities, mainly from contiguous countries.

The only action I can suggest in relation to these countries is that which lies within the ordinary international activities of the Government of Canada through its agencies.

#### THE NEAR FUTURE

I return now to the marketing problem.

I have expressed my opinion upon the question of the method which should be pursued under normal conditions, and in the interest of the wheat producers, as well as in that of the country as a whole, the return of such conditions is eagerly hoped for. But upon the facts before me today, I must say that such return is not immediately in sight. I think that there are several factors in the present situation which cannot be ignored and which call for special action. For instance, I am disappointed in one important respect: world wheat exports for the year 1936-37 were 622 million bushels, but in this present year, 1937-38, they have fallen off considerably and are now estimated, by the Secretariat of the Wheat Advisory Committee not to exceed 520 million bushels. This estimate is confirmed by that of other competent observers. On the other hand, the United States 1938 crop promises to reach 900 million bushels, with a considerable carry-over likely to be added to it. The Secretariat above referred to estimates that the area sown for harvest in 1938 in European countries is substantially larger than last year, and, that, with normal weather until harvest time, the world yield in 1938 will be considerably higher than in any year since 1933. I note that in Winnipeg the May future closed to-day (April 30) at \$1.20½b. and the October future at 88½ cents. In another aspect of the situation there are certain world factors of uncertainty which cannot be ignored.

For all these reasons (and notwithstanding the adverse considerations to which I have referred in relation to government Boards) I do not feel that I can suggest the immediate dissolution of the Canadian Wheat Board. There is a strong possibility that conditions may develop which will require a measure of assistance in the marketing of the coming crop, and I do not know, of course, how long these conditions may continue after the final chapter of this report is written. In the meantime I can think of nothing better to suggest than that the Board be maintained to meet any situation which may arise.

While the Board is in existence it can continue, and, if deemed advisable, extend the work recommended for the proposed Canadian Wheat Institute.

The paragraphs of the Order in Council enumerated respectively 3 and 4 give rise to certain questions of a special and temporary character somewhat outside the general scope of the inquiry. For this reason, and so as not to break the continuity of this report, I have dealt with these questions in two addenda, A and B, which will be found at the beginning of the Appendix.

#### ACKNOWLEDGMENTS

This inquiry has been a long and involved one, and necessarily so, because of the "gravity of the problem" and "the necessity to make a comprehensive survey of the situation" emphasized in the resolution of the Committee of the House of Commons referred to at the beginning of this report. It was therefore all the more necessary that I should have the benefit, during the course of the inquiry, of competent and willing collaborators. In this respect I have much to be thankful for. To counsel for the Commission, and to counsel for the various interests represented before me, I feel deeply indebted for the efficiency, thoroughness and patience with which they acquitted themselves of their respective responsibilities. I feel grateful also to the many persons, producers, traders, technical experts, and members of administrative bodies, and of government agencies, in Canada and in overseas countries, who volunteered their assistance to me in the accomplishment of my task.

I owe a special tribute of gratitude to my learned and diligent (I should say over-worked) secretary, Dr. T. W. Grindley, Chief of the Agricultural Branch of the Dominion Bureau of Statistics. All through the inquiry and up to the completion of this report, I have constantly had the benefit of Dr. Grindley's great knowledge, of his industry, and of his unflinching attention to the many matters of substance and of detail demanding attention from the beginning to the end of work of this nature. I could not have disposed of many of the subjects of a statistical and scientific nature discussed in this report without Dr. Grindley's able assistance.

The whole of which is respectfully submitted.

(Sgd.) W. F. A. TURGEON,  
*Commissioner.*

## APPENDIX A

### ACTIONS OF THE CANADIAN WHEAT BOARD IN DECEMBER, 1935

The Order in Council directs me to inquire into:

"The extent, if any, to which the Canadian Wheat Board protected speculative short interests in the Winnipeg Wheat Market in December, 1935, immediately following the higher price fixed by the Argentine Government for Argentine wheat; and the effect, whether beneficial or harmful, of any such action taken by the Board."

This paragraph suggests that the members of the Board may have exercised their powers as sellers of wheat in such a manner as to make Board wheat available to these speculators in such quantities and at such prices as to enable them to save themselves, wholly or partly, from losses which they otherwise would probably have suffered by reason of the action of the Argentine Government.

A change in the personnel of the Canadian Wheat Board took place in December, 1935. Mr. J. R. Murray became chairman of the Board on December 3. The other two appointees were Mr. G. H. McIvor and Mr. A. M. Shaw. On the day of Mr. Murray's appointment he was in Ottawa, Mr. McIvor was in Winnipeg and Mr. Shaw was in Saskatoon. Mr. McIvor took charge of the Board's office on December 5. It was not until December 9 that the three members met together in Winnipeg for the purposes of organization.

At that time the policy of the Argentine Government, designed for the assistance of that country's producers, was to purchase all wheat delivered to it at a price equivalent to 53 cents a bushel, the Government thereby becoming the owner of the wheat and holding itself free to resell it at any price it chose to take without being accountable to the producer. In reality, the market price at the time was so much higher than 53 cents that the Government was not receiving any wheat.

I have already shown that when Mr. Murray and his two fellow commissioners took office the Board had on hand about 295,376,167 bushels of wheat and wheat futures (with more of the 1935 crop to come) and that it was the duty of the Board to sell this wheat. In pursuit of this end, the Board decided, among other things, to approach the exporters of wheat with a view to making an arrangement which would facilitate export sales. Mr. Murray's account of the matter is in the evidence at page 11648:

"The Board asked the exporters to hold a meeting, and at the request of the Board I attended that meeting, and told the exporters that we wished them to feel free to offer wheat for sale, that since practically all the wheat in the country was in the hands of a govern-

ment agency they did not need to be afraid that, if they did offer and sell a lot of wheat overnight the government agency would, when they as exporters came to buy in their hedges, make it difficult, expensive for them to buy those hedges in. They were asked to appoint a committee to meet the Board and make any suggestions that they might see fit which in their opinion might expedite and encourage the sale of Canadian wheat."

As a result of negotiations, the following arrangement was made on December 11, 1935, as evidenced by an extract from the minutes of the Board which reads:

December 11, 1935.—"The Board agreed to make wheat available to exporters in sufficient quantity to cover their overnight acceptances during the first ten minutes after the opening of the market at not more than  $\frac{1}{4}$ c. over the previous day's close." (Evidence p. 11522.)

In explanation and justification of this arrangement, the Chairman's evidence is as follows:

"Q. Now, was an arrangement of that kind new as far as you know in the history of the grain trade? The history, at least, of any governmental participation in the grain trade?

A. Yes, it was new in so far as it was an arrangement entered into with all people who were interested in that phase of the grain business. It was not an entirely new practice, because our predecessors had given wheat to exporters at a quarter of a cent over the previous day's close; but they did not have an understanding or agreement with all the exporters. They did it on some occasions, but not with all of them.

Q. Now, what consideration influenced you in making this arrangement with the exporters?

A. Our business was to do anything we could to promote the export of Canadian wheat, of the very large stock of wheat that was in Canada at that time. The exporters, having connections and offices in all the importing countries, were the natural and proper people to do that business. In the Act, of course, it was laid down as our duty that we should use the existing facilities in the trade unless we found that they were not operating satisfactorily, when the Act gave us other powers if we wished to use them. We therefore considered that the exporters were salesmen for Canadian wheat, and we wanted them to get busy and try to sell it. For that reason we made that arrangement with them.

Q. That was, in addition to offerings in the pit? I mean, why would you do that in addition to offering wheat in the pit? How did you think that promoted the sale of Canadian wheat? More helpfully than to simply offer wheat in the pit freely?

A. It encouraged the exporters to make their overnight offers without— They did not offer from the fear that they might be buying their hedges in the next morning, might have to pay an outrageous price for them; therefore they would offer their wheat more freely." (Evidence pp. 11649-50.)

This arrangement with the exporters was terminated by the Board on December 10, some time after that morning's transactions had taken place. The reason given by the chairman for this termination was that, as it turned out, the effect of this direct dealing between the Board and the exporters was to lessen activity in the pit. The export business done was not properly reflected there, and in the opinion of the Board this made the market too quiet.

The first sales made by the Board to exporters under the arrangement of December 11 were in the morning of December 12.

In the evening of December 12, 1935, the Argentine Government announced in Buenos Aires that it had decided to raise its price of wheat to the producers to the equivalent of 90 cents a bushel, an increase of 37 cents over the previous minimum price of 53 cents, and 18 cents over the Buenos Aires market price of 72 cents on the 12th December.

The news of this announcement reached Winnipeg in the early morning of December 13. Mr. Murray thinks it was first communicated to him over the telephone by Mr. McIvor. The three commissioners met before 8 a.m. to discuss the situation in the light of this Argentine incident. They concluded that the news would create some buying activity and that the coming market day would be a good time to sell. They therefore decided to try to sell at least 10 million bushels that day. But, considering all the facts relating to the Argentine situation, they did not believe the action taken by the Government of that country would have a lasting upward effect on world markets. These facts, known to the grain trade for at least six weeks, were that the Argentine crop was very short, and that the country's supplies would probably be sufficient only for domestic requirements and for Brazil's import needs. On the other hand, Canada and Australia had large quantities for sale, Europe had harvested very large crops and the world demand was at its lowest level since the War. Moreover, the fact that the Argentine Government paid 90 cents to the producers for wheat delivered at Buenos Aires did not mean that it would hold its wheat for sale to Europe at that price. On a previous occasion the Government had paid the producers 53 cents, but had sold at world prices and taken a loss.

So the members of the Board decided that the best thing to do was to take advantage of the immediate bullish effect of the announcement and sell a large quantity of their holdings on December 13. The May future on the Winnipeg market had closed the previous day at 86½ cents. At that time there was in effect a regulation of the Grain Exchange limiting the daily price range to 3 cents above or below the previous close.



The Board sold 20,164,000 bushels, of which 11,608,000 bushels were sold in the pit at the upward authorized three cent limit, 89½ cents, and 8,556,000 in part to importers under the arrangement of December 11 and in part to millers under an arrangement made with them and which I shall refer to later. All the Board's futures were May futures.

The following table from the auditor's report will show total clearing house transactions and all sales of futures made by the Board on the days investigated by them, December 13 to December 19, inclusive:

DECEMBER, 1935  
(Bushels, 000's omitted)

	13th	14th	16th	17th	18th	19th
Clearing House Totals.....	33,864	16,384	11,696	9,390	10,475	21,117
Deduct—Futures acquired by Wheat Board against cash grain sales.....	1,485	1,985	2,933	1,510	3,053	10,870
	32,379	14,399	8,763	7,880	7,422	10,247
Wheat Board Sales of Futures at Overnight export prices.....	8,556	1,411	1,257	924	813	1,687
Pit prices.....	11,608	1,245	875	1,550	1,894	1,337
	20,164	2,656	2,132	2,474	2,707	3,024

(Evidence p. 11530.)

The suggestion underlying the reference to me is that the members of the Board acted as they did on December 13 in order to "protect," or in an attempt to "protect" speculative short interests. Such action would have been misconduct on their part, because their obvious duty was to regulate their transactions in the interests of those for whom they were acting, the Government of Canada and the producers, and they could not have protected speculative short sellers without sacrificing those interests. The inference must be that they deliberately sold a large quantity of wheat at prices lower than those which they ought to have received, and did this in order to make these unduly low prices available to short speculators or to check the rise in the market in order to assist these speculators in covering.

All three commissioners were examined on this point and, as the suggestion concerning their conduct is of a serious character, I think it well to cite here what each of them had to say:

Mr. Murray's evidence:

"Q. Did you know that there was a speculative short interest in the market, and that some of this wheat probably would be taken up by those short interests?

A. You ask me if I knew there was a speculative short interest?

Q. Yes.

A. Of course no one would know that unless they had access to the books and records. You want to relate this to what we did that day?

Q. That is right, to your sales in the pit.

A. I can tell you one thing very definitely, Mr. Ralston; the fact of whether there was a short interest or a long interest or any other kind of interest never entered my mind that day. I never thought about them.

Q. Why?

A. Perhaps because they had not been talked about for six months, so much as they were; perhaps because I was one of a Board that was very busy with a more important problem and there was an important decision to be reached. Perhaps I should not say a more important problem, but I just never thought about them; that was all. If you ask me would I expect that there would be a speculative short interest in the market I would say I would expect that any time in a futures market, a short interest, a speculative short interest, and a speculative long interest.

Q. The question is referred to in the Order in Council, whether the Canadian Wheat Board protected short interests that day, and that is why I am asking you if you knew there was a short interest there and what you did about it.

A. No, I did not know there was a short interest there.

Q. But if you had known there was a short interest there what would have been your action in connection with pit sales?

A. Just the same as it was.

Q. Why?

A. Because we wanted to sell wheat." (Evidence pp.11668-69.)

Q. What was your purpose in putting the wheat into the pit that day for sale?

A. To sell it for what we thought was a good price.

Q. Were you concerned with who was the purchaser?

A. No.

Q. Now I want to ask you, just right at this point, what do you say now as to this suggestion that there might have been some approach made to you by someone who was short on behalf of someone who was long that you put wheat into the pit so as to make it available to these short interests? Was there any suggestion of that kind made to you?

A. You are asking me, was there any such approach made to us? No, none.

Q. Direct or indirect?

A. Directly or indirectly. No, none whatever.

Q. Was there any discussion between you and your colleagues, either directly or inferentially, with regard to the making of wheat available in the pit for short interests?

A. Certainly not, and I think I answered that already, Mr. Ralston, when I told you that the question of shorts never entered my mind that day. If there had been such a discussion obviously it would have entered my mind." (Evidence p. 11673.)

Mr. McIvor's evidence:

"Mr. RALSTON: . . . Coming back to December, 1935, Mr. McIvor, had you any knowledge or intimation or substantial impression that there was a speculative short interest of substantial proportions in the Winnipeg market at that time?"

WITNESS: I did not know.

Q. Had you any impression that there was any speculative short interest?

A. To be quite candid about it, I do not think I was thinking about it, and if I had been thinking about it, I do not think I would have known." (Evidence p. 11725.)

"Q. Was there any suggestion to you, either directly or indirectly, by anyone, either your colleagues or anyone else, that you or your Board might assist speculative short interests by putting wheat in the market by way of pit sales?"

A. No, none at all.

Mr. RALSTON: The question was: Did any person or any body of persons request you to commence selling or make available wheat in the pit in large quantities on that day or during those days following the Argentine rise in price?

A. To my knowledge, definitely no.

Q. You mean it was wholly on the initiative of the Board?

A. Absolutely.

Q. And was it unanimous?

A. Yes.

Q. Among all the members?

A. Yes." (Evidence p. 11726.)

Mr. Shaw's evidence:

"Q. Did the matter of the possible protection of speculative shorts or short interests in the market enter into the reasons for deciding to sell wheat that day to the extent of ten million bushels or the extent of whatever amount was sold?"

A. No. No matters of that kind had any bearing on it at all. It appeared, in giving consideration to the report that had come out that morning that the price in the Argentine had advanced, and naturally one wondered just what effect that would have on the market to-day, and it was up to the members of the Board to decide what they should do in view of that information. Keeping in mind that the fundamental purpose for which we were there was to merchandise the wheat that was on hand, we came to the conclusion that this market would likely be a good market to sell on,

and we agreed to sell considerable quantities providing it turned out as we thought it might.

Q. Coming back to my question, did the fact that your making wheat available in the pit might benefit people with short interests in the market influence you at all in taking that action?

A. Not the slightest.

Q. And does that same answer apply to the wheat which was subsequently sold in the pit from day to day after the 13th?

A. Yes." (Evidence pp. 11730-31.)

Mr. W. C. Folliott was the Board's sales manager at the time. He received his instructions to sell from the members of the Board, from time to time during the day. He made the selection of the brokers and decided the quantity to be allotted for sale to each of them. He says that he employed between 40 and 50 brokers during the session of December 13th. He states in his evidence:

"Q. In offering that wheat for sale or authorizing brokers to sell it, were you influenced in any way by the fact that there might be some short speculative interests, which might benefit by having that wheat put in the pit and made available?

A. No, I was not very much interested whether there were shorts or otherwise. My instructions were to sell wheat, and I called up the brokers and gave the orders, and they would report back saying they had sold so much wheat, whatever their order may have been.

Q. Do you mean that whether the purchasers were short or long did not concern you at all?

A. No. As a matter of fact I could not tell just who they might make their sales to." . . . (Evidence p. 11734.)

"Q. And does what you have said with regard to shorts apply to the days following the 13th as well as to the 13th?

A. Yes, sir.

Q. That is to say, you mean you were not influenced by the question as to whether there might be a long or short who might be purchasing that wheat?

A. No, I was not a bit interested.

Q. Were you ever approached by anybody, either directly or indirectly, or did you have it suggested to you that wheat should be made available in the pit or through a particular broker, in order that some short interests might benefit by it?

A. No, sir." (Evidence p. 11735.)

This evidence is all emphatically to the effect that no wrongful approach was made to any members of the Board, that none of them had in mind the giving of assistance to any speculative interest, and that the Board's sales policy was determined on the morning of December 13, on the opinion, which the members formed, that the news from the Argentine

would make that day a good day to sell wheat. Nobody came forward, or was brought forward, to contradict this testimony. The evidence must therefore be accepted, and the members of the Board exonerated from the suggestion of having "protected speculative short interests," unless something pointing to a different conclusion is to be found in the report of the auditors, Price, Waterhouse & Co., who were employed to investigate the transactions of December 13 and the following days. This report is filed as Ex. 571. Also we have, as Ex. 576, the report of an audit conducted by the firm of Glendinning, Gray & Roberts on instructions received from the Canadian Wheat Board on December 17, 1935. With these, is to be read two other Exhibits, Nos. 577 and 578, prepared by Counsel summarizing the first two.

When the Board made its arrangement with the exporters on December 13, 1935, it retained the right to institute an inquiry at any time into the purchases made from it by exporters in order to ascertain that all such purchases were in fact made and used in connection with genuine exports of wheat. The above table shows that on December 13, 8,556,000 bushels were sold at  $\frac{1}{4}$  cent above the closing price of December 12. These sales were made to exporters excepting about one million bushels sold to millers under the arrangement made with them. On December 17 the Board instituted the audit by Glendinning, Gray & Roberts into exporters' purchases of December 13. This audit showed that 511,000 bushels were bought for purposes not contemplated by the contract. These are described in Ex. 577 as follows:

	Bushels
"Purchased by U.S. mills to cover domestic sales....."	157,000
Purchased against contracts 'the terms of which were such that we are not quite satisfied that they covered export sales of Canadian wheat'.....	96,000
Quantity 'not accounted for to our satisfaction'.....	258,000"

On the basis of this report the respective purchasers paid to the Board the difference,  $2\frac{1}{4}$  cents per bushel, between the special export price and the closing price of December 13. It appears that these excessive purchases at export prices aggregating 511,000 bushels were attributed in each case to a misunderstanding on the interpretation to be given to the words "export business." None of these transactions was speculative.

In their report (Ex. 571), the firm of Price, Waterhouse & Co. outline the scope of their work and the procedure they followed:

"The Canadian Wheat Board has, in addition to copies of the minutes referred to above, furnished complete data of Wheat Board transactions for the above period together with a copy of a report made to the Board by Messrs. Glendinning, Gray and Roberts, C.A. covering an investigation made by them into certain transactions of the Board on December 13, 1935. In the course of our work we have been furnished with questionnaires completed by the members of the Winnipeg Grain and Produce Exchange Clearing Association Limited, and by a number of grain and milling companies and brokers carrying on business in other parts of Canada and the

United States of America as to their market positions on December 12 and 13, 1935, and their trades for the latter day. We have also been furnished in many instances with sworn statements regarding export sales covering a period from December 13 to 19, 1935 inclusive whilst officials of the Grain Exchange and of the Clearing House have given us official confirmation of ruling prices, volume of trading, etc., on the Winnipeg market during the period under review. . . ."

"In addition to all this material which has been the subject of close analysis and tabulation we have visited many of the offices of the companies in Winnipeg and made further inquiries and examinations of records pertinent to our investigation. Further specific reference to all of the above, will be found later in this report."

"It should be stated that the Wheat Board disposed of futures in two ways, namely:—

- (1) Under the arrangement regarding overnight export acceptances and
- (2) By sales in the pit.

"We present herewith the facts as we have obtained them regarding both kinds of transactions so that your Commission will have the benefit of this information in determining the questions referred to you for investigation." (Exhibit 571, pp. 2, 3 and 4.)

In reference to this first citation I must say a word now in regard to the arrangement with millers already mentioned. The extract from the Board minutes regarding this arrangement is as follows:

"December 13, 1935.—The Board agreed to make wheat available to millers up to 10 a.m. on the basis of the previous close in sufficient quantities to cover overnight export sales of flour." (Evidence p. 11522.)

Although this minute is entered on December 13, the facts show that on the two previous days the millers were allowed to purchase these futures at the same price as the exporters. Afterwards, the basic price mentioned in the minutes became effective. This arrangement with the millers continued, until August, 1936.

In reference to their probe into the sales to exporters and millers, on December 13 the auditors' report reads:

"The above comments cover the sales on December 13, 1935, at the Board's overnight export price. Whilst the affidavits are not, as indicated above, complete in every respect we are reasonably satisfied, subject to the above comment on the item of 703,000 bushels and 40,000 bushels of excess futures purchased by an exporter, that all of the futures sold by the Board at the overnight export price were bought by the purchaser in connection with con-

current overnight export business covered by the arrangement with the Board.

"On the matter of December 13, 1935, overnight export business, Messrs. Glendinning, Gray and Roberts, C.A. also made an investigation and reported thereon, as already mentioned, under date of March 6, 1936, to which report we would refer you." (Ex. 571, p. 9.)

The auditors' comment on the item of 703,000 bushels is as follows:

"(f) Purchase of futures for account of Foreign affiliate reported in writing by Clearing Member but request for sworn statement of export sales by Foreign affiliate not complied with . . . . 703,000." (Ex. 571, p. 8.)

In respect to this item of 703,000, Mr. Gray of the firm of Glendinning, Gray & Roberts gave evidence and said that he had satisfied himself on the occasion of the audit conducted by his firm that the sales represented by this bushelage were genuine export sales. He said that he had seen the cables and sales documents referring to the purchases and shipments.

During the five other days covered by the Price, Waterhouse audit, December 14 to 19 inclusive, the aggregate sales to cover exports were 5,887,000 bushels, about two-thirds of what was sold on the 13th. The auditors find that the whole of these sales were for export excepting 169,000 bushels as to which they say:

"(e) Purchase of futures for account of Foreign affiliate reported in writing by Clearing Member but request for sworn statement of export sales by the Foreign affiliate not complied with . . . . 169,000." (Ex. 571, p. 30.)

Coming now to the Board's pit sales, the auditors deal first with those of December 13, which aggregated 11,608,000 bushels. The table already set out shows the whole of the Board's pit sales during the six days investigated.

The auditors applied themselves to the task of ascertaining the speculative short interest in the Winnipeg market at the close of trading on December 12. Their report (Ex. 571, p. 26) shows a total short interest of 177,682,000 bushels (offset, of course, by the same volume of longs) of which only 6,089,000 were definitely "speculative short interests" to which should probably be added an amount of 1,927,000 bushels, being the short position of 272 small miscellaneous customer accounts, of which the auditors had no information, but which appeared to have been the small speculations of members of the public. On this basis the total short interest at the close on December 12 was 8,016,000 bushels; at the close of the following day, December 13, this figure had been reduced to 4,203,000 bushels. The investigation shows that the difference, 3,813,000 bushels, is attributed to pit sales of Board wheat. It will be remembered

though, that according to the Board evidence, particularly that of Mr. Follitt, who instructed the brokers, the members of the Board had no means of knowing who the buyers were in these pit transactions. Still less could they have known who the buyers from the first buyers were; because the figures given here represent the result of many sales and resales.

Regarding the Board's pit sales on the five following days, the auditors made no attempt to trace these, because they were relatively small in volume and do not appear to have had any appreciable effect on prices. In any event it would have been extremely difficult to trace Board sales in view of the great volume of other pit sales made on each of these days.

The evidence shows, therefore, that a number of short speculators became active buyers on December 13. The members of the Board say that they formed the opinion in the early morning that buying would be active on that day, making it, from their point of view, a good day to sell. But the mere fact that the Board sold and that short speculators, among others, bought does not show that the Board was protecting any buyer.

The question whether the members of the Board acted wisely or unwisely in selling a large quantity of wheat on December 13 is one which I am no more competent to judge than any other person who, with the history of the period before him including market prices and activities on, before and after that date, may care to express an opinion. If they had refrained from selling in large quantities on that day, their abstention might likewise have caused some unfavourable comment later, on the ground that they had failed to take advantage of a good opportunity to sell. In any case, it does seem that the upward turn of the market caused by news of the Argentine incident was not of long duration. Short speculators who rushed to buy on December 13 might have done better by waiting until later.

In answer to the question arising out of paragraph 3 of the Order in Council. I find, on the whole of the evidence that the members of the Board cannot be said to have protected speculative short interests in the Winnipeg wheat market in December 1935. The Board, in the exercise of its legitimate discretion, decided that it was advisable to sell. They sold without, of course, knowing what proportion of their sales would fall to speculators and what proportion to others: and I cannot see how a knowledge that short speculators were buying should have deterred them from selling, if they had such knowledge.

This being my opinion, the second question as to the effect of any such protection does not call for an answer.

Respectfully submitted,

(Sgtl.) W. F. A. TURGEON,  
Commissioner.



## APPENDIX B

### THE SASKATCHEWAN OATS QUESTION

Paragraph 2 of the Order in Council reads as follows:

"All transactions since the year 1930 pertaining to the handling of grain for relief and seeding purposes in the Provinces of Manitoba, Saskatchewan and Alberta under the Dominion Government guarantee, or otherwise."

Relief measures taken by the Dominion and provincial Governments in Alberta, Saskatchewan and Manitoba have already been dealt with in Chapter IX. Paragraph 2 above deals more specifically with "transactions pertaining to the handling of grain for relief and seeding purposes." This paragraph gave rise to only one subject of inquiry before me. It took the form of a controversy between the Dominion and the Saskatchewan Governments having to do with certain dealings in oats.

I heard a great deal of evidence and of argument in this case, and it was necessary I should do so in order to clarify a very complex situation, but when all has been said, the essential position is simple enough. In the autumn of 1934 the Saskatchewan Government found itself confronted with the necessity of acquiring a large quantity of oats to be distributed for feed and seed relief purposes. The estimated requirements were between 5 and 6 million bushels. This figure had to be increased later very considerably on account of a scarcity of feed wheat which the Government were also buying; so that in the result the oats distributed amounted to 8,443,592 bushels. When buying operations were decided upon in the autumn of 1934, the market prospects showed a probable shortage in oats to come. It was therefore decided to buy futures in order to ensure a sufficient supply. Pursuant to this decision oats futures were bought to the extent of 4,696,000 bushels; about 4 million bushels in November and December and the remainder at various later times up to April 3, 1935. Distribution went along, and on the first of May, 1935, the Government found itself with 3,188,000 oats futures in hand, which had cost them, according to the evidence of Mr. Gordon Brown, an average of 46 cents a bushel, and on that date the quotation for the May future was 39½ cents. The position therefore was that the futures held by the Government were worth, on market quotations, about \$195,000 less than they had cost in the fall and winter. This amount of futures was never increased at any time, but by many transactions extending over until April, 1937, they were finally disposed of at a loss of \$206,948.81, representing approximately 4.4 cents a bushel on futures or 2½ cents on all oats distributed. The difference between the book loss, \$195,000, on May 1, 1935, and the actual loss two years later was therefore only about \$12,000.

There is no question that, in the fall of 1934, the expectation of a scarcity of oats, and a consequent rise in prices, was apprehended by market students. The evidence on this point is uncontradicted. The Government therefore were well advised to enter upon the purchase of futures as security for the obtaining of necessary supplies. As things turned out, however, the scarcity did not develop, and oats prices declined instead of rising. This, of course, was due to market chances which no one could be expected to foresee with certainty.

The controversy before me arises out of the fact that the purchases of futures were made on behalf of the Saskatchewan Government by the Canadian Co-operative Wheat Producers Ltd., of which Mr. John I. McFarland was then general manager, his transactions on behalf of the Province being conducted on the strength of a guarantee to the Banks concerned given by the Government of Canada. Mr. Gordon Brown, already referred to, acted as expert adviser to the Province and as its agent in instructing the Co-operative in reference to purchases and sales of futures.

It became apparent in March that the Government would not require all the futures which they held and that they had probably one million bushels too much, and the Government authorized Mr. Brown to use his judgment in disposing of this excess and to confer with the Co-operative officials as to the advisability of doing so. Following upon this, many interviews took place between Mr. Brown on the one side, and Mr. McFarland and Mr. McIvor on the other. There is some contradiction as to what occurred at these interviews, as to the soundness of the opinions which the Co-operative officials gave Mr. Brown about selling, or holding, but in the result the evidence does not show that the Co-operative officials ever disobeyed any positive instructions which they received. On the whole, and speaking of the period up to May 31, Mr. Brown appears to have thought that the Government's loss on the futures could be avoided or lessened by holding, as he felt confident the market would improve. As a matter of fact the price did rise during May from 39 $\frac{7}{8}$  on the first of the month to 44 $\frac{1}{2}$  cents on the 23rd. But the next day it fell 4 cents and remained at about 41 cents until the end of the month.

At the end of May the Saskatchewan Government's position had changed to the extent that it now held about 3 million bushels which were no longer required. This was because of the fact that, in order to encourage the sale of cash oats by farmers to elevator companies so as to make supplies available for distribution, the Government had fixed a flat price to the farmers for all oats delivered. The elevators were buying these oats from the farmers and turning them over to the Government without hedging and this practice lessened the need of futures. The only point left has to do with the disposal of these 3 million bushels.

On June 13, 1935, a meeting was held at Winnipeg between Saskatchewan Government representatives, including Mr. Brown, and Mr. McIvor acting for the Co-operative. The decision arrived at on this occasion was to leave the selling of these futures to the Co-operative officials, who

were to dispose of them as they thought advisable having regard to the market. This decision seems to me to have been a reasonable one. The Government was naturally not anxious to remain in the oats futures market, and the best course for it to pursue would appear to be, not to throw this large quantity of futures on the market at once, but to leave the disposal of it to be made from time to time by experienced and capable agents. After all, this is the position any person takes who entrusts his grain or other commodity to another person to dispose of for him.

Mr. Brown then dropped out of the proceedings, and from that time on all communications exchanged were between the Government and the Co-operative.

The Co-operative itself had a certain quantity of its own Pool oats to sell. It was agreed on June 13 that whenever a sale was made, two-thirds of it would be allotted to Saskatchewan Government oats and one-third to Co-operative oats. This arrangement was carried on until the coming into force of the Canadian Wheat Board Act and the consequent necessity of settling with the Pools, when the Co-operative proceeded to sell its Pool oats without dividing sales with the Saskatchewan Government. This occurred in October and November, 1935. It was fortunate for the Saskatchewan Government that the 2 to 1 arrangement in regard to these sales was not carried out, because the prices realized were low, being about 31 and 32 cents a bushel.

This left the Saskatchewan Government holdings at 2,452,000 bushels on December 31, 1935. These were used for the purposes of seed and feed distribution in 1935-36. On April 30, 1936, the futures remaining amounted to 1,787,000 bushels. Then in June, 1936, 930,000 bushels were sold. Finally in March and April, 1937, the remainder of the futures were used as give-ups in connection with purchases of cash oats for relief operations.

All these transactions, therefore, extending over the long period between November, 1934, and April, 1937, and affecting the necessary distribution of relief grain for three seasons, result in a net loss of \$206,000. It may be easy to say now that sales of futures made at one time would have been more profitable than at another, but those acting in good faith had nothing but day to day opinions and prospects to guide them.

In this connection, it appears from the evidence before me, that the Saskatchewan Government carried on wheat distribution activities in the fall of 1934 and the winter of 1935, at the same time as these oats were being distributed. Here again they dealt in wheat futures, and here again the Co-operative acted as their agents. On these wheat transactions, the Government made an actual profit of \$43,137.61. This was realized because the price of wheat went up while the price of oats went down.

I cannot find that Mr. McFarland or Mr. McIvor, or any other Co-operative official acted in any wrongful manner in so far as they were concerned, by disobeying instructions or otherwise. Consequently I think

that in the matter in controversy before me no claim can be set up against the Co-operative or against the Government of Canada.

A question was debated as to the merchant's commission on futures bought or sold, agreed to be charged by the Co-operative to the Saskatchewan government on the transactions involved. The Grain Exchange rule calls for a commission of  $\frac{1}{4}$  cent per bushel. It was sought to be established on behalf of the Province that by an oral agreement made in Winnipeg in the fall of 1934, the Co-operative agreed to charge only  $\frac{1}{8}$  cent per bushel. Such an arrangement would have been a breach of the Grain Exchange rule binding upon the Co-operative and entailing penalties. The Co-operative officials do not admit the making of any such arrangement, and, the evidence in support of it is too indefinite to be acted upon. I must hold that the  $\frac{1}{4}$  cent commission was properly chargeable.

Respectfully submitted,

(Sgd.) W. F. A. TURGEON,  
*Commissioner.*

**APPENDIX I**  
**LIST OF WITNESSES**

**A**

ABRAHAMS, B. .... Continental Grain Co., Ltd., Paris, France.  
 AITKEN, WILLIAM H. .... Messrs. James Aitken & Sons, Ltd., Glasgow, Scotland.  
 AKER, LINDSAY M. .... Farmer, Scollard, Alberta.  
 ALLEY, JOHN S. M. .... Instructor in Economics, University of Manitoba.  
 ALLEN, DR. WILLIAM. .... Professor of Farm Management, University of Saskatchewan.  
 ARNATI, K. .... N. V. Internationale Controle, Mij, Rotterdam, Holland.  
 ASCH, KURT, M. B. .... H. Wiener & Co., Rotterdam, Holland.  
 ASKEW, S. B. .... Member, Incorporated National Association of British and Irish Millers, London, England.  
 AULD, DR. F. HEBLEY. .... Deputy Minister of Agriculture, Province of Saskatchewan.

**B**

BEARSTO, RALPH K. .... Assistant General Manager, Dominion Bank of Canada, Winnipeg.  
 BEAVAN, JOHN. .... Vice-President, Liverpool Corn Trade Association.  
 BECHTOLD, HERMAN. .... Farmer, Fairview, Alberta.  
 BELL, CHARLES. .... Farmer, Nipawin, Saskatchewan.  
 BENNETT, GEORGE. .... Farmer and Director of Alberta Wheat Pool, Manville, Alberta.  
 BIDDULPH, R. W. .... European Commissioner, Canadian Wheat Board, London, England.  
 BLAKE, DAVID C. .... Formerly Option Clerk, Canadian Co-operative Wheat Producers Limited, Winnipeg.  
 BOLIN, FRED E. .... Montreal Agent, James Richardson & Sons, Ltd., Member, Montreal Corn Exchange Association Council.  
 BOLLE, W. C. .... Vice-President, Rotterdam Grain Futures Association.  
 BOLSTER, FRANK J. .... Farmer, Humboldt, Saskatchewan.  
 BRACEY, A. C. .... Manager, Central Grain Office, English Co-operative Wholesale Society, Liverpool, England.  
 BREDT, PAUL F. .... President and Managing Director, Manitoba Wheat Pool, Winnipeg.  
 BROWN, GORDON B. .... Grain Purchasing Adviser to Saskatchewan Government, Regina.  
 BROWN, LESLIE W. .... H. J. Decker & Co., Liverpool, England.  
 BRYAN, ROBERT M. .... Vice-President and General Manager, Hall Bryan, Ltd., Vancouver.  
 BUNN, JOHN R. .... Accountant, Purchasing Department, Fodder Branch, Department of Agriculture, Province of Saskatchewan.  
 BURCH, SAMUEL E. .... Farmer, Wellwood, Manitoba.  
 BURKE, FRANCIS E. .... Croll and Burke, Ltd., Exporters, Vancouver.

**C**

CAIRNS, ANDREW. .... Secretary, Wheat Advisory Committee, London, England.  
 CASWELL, WALTER B. .... Barrister, representing Citizens' Wheat Board and Price League, Saskatoon.  
 CATHCART, GEORGE E. .... Grain Commission Merchant, Winnipeg.  
 CHARD, ALFRED. .... Freight Traffic Supervisor, Province of Alberta.  
 CLIFFORD, WALTER. .... Farmer, Austin, Manitoba.  
 CLOSS, WILLIAM. .... Inspector in Charge of Lakehead Terminals, Fort William, Ontario.  
 CONNELL, GORDON F. .... Farmer, Regina.  
 COOL, BEN. .... Farmer, Carseland, Alberta.  
 CUSHING, IRA B. .... Farmer, Bechard, Saskatchewan.

## D

- DARBY, ARTHUR E. .... Secretary, Winnipeg Grain Exchange.  
 DAVIDSON, BERT. .... Farmer, Neepawa, Manitoba.  
 DAVIDSON, CLIVE B. .... Secretary, Canadian Wheat Board, Winnipeg.  
 DENTON, WILLIAM. .... Farmer, Benton, Alberta.  
 DEWAR, DAVID. .... Member, London Corn Trade Association.  
 DICKINSON, FREDERICK L. .... Vice-President, Canadian Seed Growers' Association, Winnipeg.  
 DINON, JAMES E. .... Dixon Investment Co., & Chairman, Rabone, Petersen & Company, Export Merchants, Birmingham, England.  
 DOWLER, WILLIAM J. .... President, Winnipeg Grain Exchange.  
 DOYLE, WILLIAM R. .... Farmer, Beulah, Manitoba.  
 DRENNAN, KEITH W., C.A. .... Manager, Winnipeg Office, Price, Waterhouse & Co.

## E

- EDWARDS, GEORGE F. .... Representing On-to-the-Bay Association, Regina.  
 EINARESON, JOHANNES. .... Farmer, Calder, Saskatchewan.  
 EVANS, JOHN. .... Farmer, Saskatoon.  
 EVANS, DR. W. SANFORD. .... Manager, Sanford Evans Statistical Service, Winnipeg.

## F

- FETTES, CHARLES. .... Farmer, Gladmar, Saskatchewan.  
 FINDLAY, ROBERT C. .... Assistant Chief Commissioner, Canadian Wheat Board, Winnipeg.  
 FITZ, L. A. .... Supervisor in Charge Chicago Field Office, Commodity Exchange Administration, Chicago, Ill.  
 FLEGENHEIMER, JULIUS. .... Weil Hermanos & Cie, Rotterdam, Holland.  
 FOLLIOTT, W. CHARLES. .... Formerly in Sales Office, Canadian Wheat Board, Winnipeg.  
 FORRESTER, GEORGE A. .... Grain Merchant and Feed Buyer, Saskatoon.  
 FOWLER, FRANK O. .... Manager, Winnipeg Grain Exchange Clearing Association.  
 FRASER, JAMES D. .... Chief Inspector, Board of Grain Commissioners, Winnipeg.  
 FBERE, GILBERT. .... Farm Manager, Kindersley, Saskatchewan.

## G

- GARDINER, ROBERT. .... President, United Farmers of Alberta, Calgary.  
 GASKELL, J. R. .... Director, Liverpool Corn Trade Association.  
 GAUER, HENRY C. .... Western Manager, James Richardson & Sons, Ltd., Winnipeg.  
 GEDDES, DR. WILLIAM F. .... Chief Chemist, Board of Grain Commissioners, Winnipeg.  
 GERBIN, JAMES. .... Farmer, Odessa, Saskatchewan.  
 GILBERT, ORVILLE N. .... Farmer, Calgary.  
 GILBERT, WILLIAM F. .... Retired farmer, Calgary.  
 GLAZE, OSCAR. .... Farmer, Sedley, Saskatchewan.  
 GLOSSOP, JOHN. .... Former Terminal Superintendent, Santa Monica, Calif.  
 GOLDSCHMIDT, ALFRED. .... J. A. Goldschmidt & Co., Paris, France.  
 GOUGH, ARTHUR E. .... General Manager, Overseas Farmers' Co-operative Federations Ltd., London, England.  
 GOWANS, CHARLES. .... Thompson & Earle, Montreal, Member of Montreal Corn Exchange Association.  
 GRAHAM, BENJAMIN F. .... Farmer, Cluny, Alberta.  
 GRANGER, HUGH R. .... Chairman, National Federation of Corn Trade Associations, London, England.  
 GRANT, DR. HENRY C. .... Professor of Agricultural Economics, University of Manitoba.  
 GRAY, ALEXANDER Y., C.A. .... Glendinning, Gray & Roberts, Chartered Accountants, Winnipeg.  
 GRIERSON, JOSEPH E. .... Apartment Block Manager, Winnipeg.  
 GRIFFIN, HENRY L. .... Director, Research Department, United Grain Growers, Ltd., Winnipeg.  
 GRIGGS, WILLIAM D. .... Farmer, Griswold, Manitoba.  
 GROSENICK, THEODORE. .... Farmer, Radville, Saskatchewan.

## H

- HARR, JOHN W. .... Merchant, Saskatoon.  
 HAMILTON, JAMES H. .... Secretary, Vancouver Grain Exchange.  
 HANSEN, HENRIK. .... Farmer, Lunenburg, Saskatchewan.  
 HARPER, C. WALTER. .... Chairman, Westralian Farmers Ltd., Perth, Western  
 Australia.  
 HAYLES, CHARLES E. .... General Manager, Canadian Consolidated Grain Com-  
 pany, Winnipeg.  
 HENDERSON, H. S. .... Director, Liverpool Corn Trade Association.  
 HESLA, MINARD S. .... Farmer, Grand Coulee, Saskatchewan.  
 HODSON, WILLIAM. .... Director, Liverpool Corn Trade Association.  
 HOPWOOD, RICHARD C. .... Secretary, National Federation of Corn Trade Associa-  
 tions, London, England.  
 HOSEGOOD, LAWRENCE. .... Member, Bristol Channel and West of England Corn  
 Trade Association.  
 HULL, JOHN T. .... Secretary, Manitoba Co-operative Conference, Winnipeg.

## I

- IRWIN, HAROLD S. .... Agricultural Economist, Commodity Exchange Adminis-  
 tration, Chicago, Ill.  
 ISMOND, WILLIAM H. .... Farmer, Abernethy, Saskatchewan.

## J

- JAMES, HUDSON E. .... Deputy Registrar, Board of Grain Commissioners,  
 Vancouver.  
 JARDON, PIERRE. .... Former Agent for the Canadian Wheat Pools, Cazeres  
 sur l'Adour, France.  
 JONES, WILLIAM E. .... Farmer, Yellow Grass, Saskatchewan.

## K

- KENNEDY, DONALD M. .... Farmer, Fairview, Alberta.  
 KNOX, FRANK A. .... Professor of Economics, Queen's University.  
 KNOX, JAMES G. .... Representing Saskatchewan Association of Rural Muni-  
 cipalities, Regina.  
 KRISTJANSON, JOHANN. .... Farmer, Mozart, Saskatchewan.

## L

- LAMARQUE, W. CHARLES. .... President, London Corn Trade Association.  
 LAMONTAGNE, YVES. .... Canadian Government Trade Commissioner, Brussels,  
 Belgium.  
 LANES, WILLIAM E. .... Bakery Department, London Co-operative Society, Ltd.,  
 LANES, WILLIAM T. .... Bakery Manager, London Co-operative Society, Ltd.  
 LATTIMER, DR. J. ERNEST. .... Professor of Farm Economics, Macdonald College, Ste.  
 Anne de Bellevue, Quebec.  
 LAW, RICHARD S. .... President and General Manager, United Grain Growers,  
 Ltd., Winnipeg.  
 LAW, W. R. .... President, National Association of Flour Importers,  
 Glasgow, Scotland.  
 LEVI, JULIUS. .... N. V. Nidera Handelscompagnie, Rotterdam, Holland.  
 LEVY, GEORGES. .... Louis Dreyfus & Co., Paris, France.  
 LEWIS, E. I. .... President, Liverpool Corn Trade Association.  
 LOGIE, THOMAS D. .... Retired Farmer and Country Elevator Agent, Burnaby,  
 B.C.  
 LONGMAN, OLIVER S. .... Field Crops Commissioner, Department of Agriculture,  
 Province of Alberta.

## M

- MACCARI, M. .... Grands Moulins de Pantin, France.  
 MADDISON, C. WILLMOTT. .... Organizing Secretary, Western Canada Publicity As-  
 sociation, Vancouver.  
 MAIRE, GABRIEL. .... Grands Moulins de Paris, France.

MANION, JAMES P.	Assistant Commercial Attaché, Canadian Government, Paris, France.
MARSHAL, JOSEPH	Farmer, Yellow Grass, Saskatchewan.
MARTIN, JOHN	Secretary, Glasgow Corn Trade Association.
MASTER, OLIVER	Economist, Department of Trade & Commerce, Ottawa.
MATHIESON, GEORGE S.	Assistant Manager & Vice-President, Norris Grain Company Ltd., Winnipeg.
MEHL, JOSEPH M.	Assistant Chief, Commodity Exchange Administration, Washington, D.C.
MEHL, PAUL	Senior Agricultural Economist, Commodity Exchange Administration, Chicago, Ill.
MERCIER, M.	Grands Moulins de Corbeil, France.
METCALFE, WILFRID	Farmer, Oakville, Manitoba.
MITCHELL, J. W.	Joseph Pyke & Son, Liverpool, Ltd., London, Eng.
MOODIE, WILL	Farmer, DeWinton, Alberta.
MOONEY, WILLIAM T.	Farmer, Grand Coulee, Saskatchewan.
MORAW, WINSTON C.	Accountant, Field Crops Branch, Department of Agriculture, Province of Alberta.
MORRISON, WALTER S.	Farmer, High River, Alberta.
MORTON, JAMES A.	Farmer, Oakville, Manitoba.
MOTHERWELL, DR. WILLIAM R., M.P.	Farmer, Abernethy, Saskatchewan.
MUIR, DAVID	Wheat Buyer & Commercial Manager, Scottish Co-operative Wholesale Society, Glasgow, Scotland.
MURCHE, ANDREW	Farmer, Grande Prairie, Alberta.
MURRAY, JAMES R.	Chief Commissioner, Canadian Wheat Board, Winnipeg.
MYCHOFF, CHARLES	Farmer, Elstow, Saskatchewan.

#### Mc and Mac

McANSIE, JAMES	Statistician, Canadian Wheat Board, Winnipeg.
McARTHUR, GEORGE S.	Secretary, Ontario Flour Millers' Association, Toronto.
McCALLA, DR. ARTHUR G.	Research Assistant, Associate Committee on Grain Research, Department of Field Crops, University of Alberta.
McCUSKER, THOMAS A.	Farmer, Regina.
MACDONALD, ALEXANDER	Farmer, Manson, Manitoba.
MACDONALD, WILLIAM	Farmer, Scollard, Alberta.
McDONALD, WILLIAM	McKinnon McDonald Ltd., Grain Merchants, Glasgow, Scotland.
McDONNELL, ANGUS	Farmer, St. Albert, Alberta.
McDOUGALL, FRANK L.	Economic Adviser to the Australian Government, London, England.
McFADYEN, JAMES	Director, English Co-operative Wholesale Society, Manchester, England.
McFADZEAN, JOHN	John McFadzean Ltd., Grain Merchant, Glasgow, Scotland.
McFARLAND, JOHN I.	Former Chief Commissioner, Canadian Wheat Board, Calgary, Alberta.
MacGIBBON, DR. DUNCAN A.	Commissioner, Board of Grain Commissioners, Winnipeg.
MACGILLIVRAY, JOHN C.	Canadian Government Trade Commissioner, Hamburg, Germany.
McIVOR, GEORGE H.	Assistant Chief Commissioner, Canadian Wheat Board, Winnipeg; later Chief Commissioner.
McKEE, ROBERT	Managing Director, Canada Grain Export Co., Vancouver.
McKINSON, RICHARD W.	Farmer, Regina.
MACLACHLAN, DANIEL C.	President & General Manager, Maple Leaf Milling Co., Ltd., Toronto, representing Canadian National Millers Association.
McLEAN, DONALD R. McD.	Manager, Pacific Elevators Ltd., Vancouver.
McLEAN, JOHN	Messrs. Thomas Borthwick Ltd., Grain Merchants, Glasgow, Scotland.
MACLEAN, WILLIAM C.	Feed Grain Merchant, Vancouver.
MACMILLAN, HARVEY R.	President, H. R. MacMillan Export Co., Ltd., Vancouver.
McNALLY, HAROLD	Farmer, Regina.



- McNAMARA, ARTHUR.....Deputy Minister of Public Works & Labour, Province of Manitoba.  
 MACNAUGHTON, JOHN.....Farmer, Bents, Saskatchewan.  
 McQUARRIE, WILLIAM W.....Farmer, Aberdeen, Saskatchewan.  
 McQUEEN, ROBERT.....Professor of Economics, University of Manitoba.  
 McTAGGART, NEIL.....Farmer, Gull Lake, Saskatchewan.

## N

- NELSON, NELS P.....Farmer, Standard, Alberta.  
 NEWMAN, DR. LEONARD H.....Dominion Cerealist, Ottawa.  
 NINDORFF, CHARLES W.....Farmer, Audrie, Alberta.

## O

- ORCHARD, WILLIAM J.....Farmer, Tregarva, Saskatchewan.

## P

- PATTON DR. HAROLD S.....Professor of Economics, Michigan State College, East Lansing, Michigan.  
 PAVLYCHENKO, THOMAS K.....Department of Field Husbandry, University of Saskatchewan.  
 PEARSON, JOHN A.....Messrs. Farquhar, Pearson, Grain Merchants, Glasgow, Scotland.  
 PEARSON, RALPH M.....Deputy Provincial Treasurer, Province of Manitoba.  
 PENN, P.....President, Rotterdam Grain Futures Association.  
 PERCY, W. T. L.....Former Assistant Manager, Canadian Wheat Pool's London Office.  
 PETERSON, CHARLES W.....Publisher, Farm and Ranch Review, Calgary.  
 PIERCE, A. CRAIG.....Farmer, Calgary.  
 PILLMAN, J. H.....Pillman & Phillips, Flour Importers and Immediate Past President, National Association of Flour Importers, London, England.  
 POLOWAY, VINCENT.....Teacher, Dauphin, Manitoba, formerly Field Service Employee, Manitoba Wheat Pool.  
 POUSETTE, H. R.....Canadian Government Trade Commissioner, Liverpool, England.  
 PROVOOST, EDGAR.....Andre & Cie, S.A. Belge, Antwerp, Belgium.

## R

- RAMSAY, EDWARD B.....Chief Commissioner, Board of Grain Commissioners, Winnipeg.  
 RANDLE, EMMANUEL.....Farmer, High River, Alberta.  
 RANKIN, McDERMID.....Farmer, Grand Coulee, Saskatchewan.  
 RAVENSCHROFT, GORDON.....Vice-President, National Association of Flour Importers, London, England.  
 RAWLINS, ALFRED.....Farmer, Turin, Alberta.  
 REID, A. CUMBERLAND.....Manager, Western Grain Co., Ltd., Winnipeg.  
 RHODES, JOHN H.....Farmer, Brant, Alberta.  
 ROBINSON, WILLIAM.....Farmer, Ituna, Saskatchewan.  
 ROSS, JAMES ARTHUR.....Farmer, Melita, Manitoba.  
 RUDOLPH, FREDERICK W.....Grain Exporter, Vancouver.  
 RUTHERFORD, W. H.....W. H. Rutherford & Co., Flour Importers, Glasgow, Scotland.  
 RUTTAN, ALLAN.....Farmer, Roselynn, Alberta.

## S

- SALMANOWITZ, JACQUES.....General Superintendence Co., Geneva, Switzerland.  
 SCABERY, THOMAS W.....Farmer, Adams, Saskatchewan.  
 SCHROK, N. C.....N. Schrok, Rotterdam, Holland.  
 SCHWARZ, EGON F.....Lid Van de Firma, H. Wiener & Co., Rotterdam, Holland.  
 SCOTT, ISAAC D.....Spillers, Ltd., Glasgow, Scotland.  
 SETTLE, RUPERT H.....Grain Section, Edmonton Chamber of Commerce.  
 SHAW, ALEXANDER M.....Commissioner, Canadian Wheat Board, Winnipeg.  
 SHIELS, JAMES R.....Farmer, Craven, Saskatchewan.  
 SHULTZ, WALTER W.....Farmer, Namao, Alberta.

- SHUTTLEWORTH, ARTHUR P..... Farmer, Balzac, Alberta.  
 SIRETT, FREDERICK A..... Farmer, Franklin, Manitoba.  
 SMALL, G. BRUCE..... Secretary, National Association of Master Bakers, Confectioners and Caterers, London, England.  
 SMALL, WILLIAM A..... Farmer, Craven, Saskatchewan.  
 SMART, JAMES..... Farmer, Tappen, British Columbia.  
 SMITH, ALLEN A..... Farmer, North Edmonton, Alberta.  
 SMITH, SIDNEY T..... President, Reliance Grain Company, Ltd., Winnipeg.  
 SMITH, STANLEY T..... Farmer, Dafoc, Saskatchewan.  
 SNODGRASS, ERIC..... J. & R. Snodgrass, Ltd., Millers, Glasgow, Scotland.  
 SPENCE, HON. GEORGE, M.L.A..... Minister of Public Works, Province of Saskatchewan.  
 STARNES, H. KENNETT..... President, Montreal Corn Exchange Association.  
 STEVENSON, HUGH A..... Manager, Canadian Transport Co., Ltd., Vancouver.  
 STOCK, MAXIMILIAN..... Comptoir Commercial Anversois (Antwerp).  
 STOCKTON, GEORGE W..... Farmer, Carlyle, Saskatchewan.  
 STODDART, F. O. B..... Director, Liverpool Corn Trade Association.  
 STOLKER, CHARLES B..... Farmer, Wilkie, Saskatchewan.  
 STRANGE, HENRY G. L..... Director, Research Department, Searle Grain Co., Winnipeg.  
 STROOBANT, GEORGE..... Societe Anonyme Bungé, Antwerp, Belgium.  
 STUART, MAJOR DUNCAN..... Barrister, Calgary.  
 STUYCK, FERNAND..... G. L. Stuyck & Co., Antwerp, Belgium.  
 SUMMACH, AUGUST..... Farmer, Asquith, Saskatchewan.  
 SVEINJOHNSON, SVEIN J..... Farmer, Kandahar, Saskatchewan.  
 SWANSON, DR. W. W..... Professor of Political Economy, University of Saskatchewan.

## T

- TADMAN, R..... Wheat Expert, Overseas Farmers' Co-operative Federations Ltd., London, England.  
 TAGGART, HON. J. GORDON, M.L.A..... Minister of Agriculture, Province of Saskatchewan.  
 TAYLOR, DR. ALONZO E..... Director of Research, General Mills, Minneapolis, Minnesota.  
 TELFORD, DR. J. LYLE..... President, British Columbia Co-operative Commonwealth Federation, Vancouver.  
 THERRES, HENRY M..... Farmer, Humboldt, Saskatchewan.  
 THOMAS, J. W..... President, Hull Corn Trade Association.  
 THOMSON, JOHN..... General Manager of Westralian Farmers Ltd., & State Wheat Pool, Perth, Western Australia.  
 THURSTON, JOSEPH J..... Dairy Farmer, Chilliwack, B.C.  
 TITFORD, CAPT. STANLEY H..... Secretary, London Corn Trade Association.  
 TODD, WILLIAM T..... Registrar of Warehouse Receipts, Board of Grain Commissioners, Winnipeg.  
 TOOLEY, HERBERT..... Former Secretary, Board of Grain Supervisors, Winnipeg.  
 TRENT, GEORGE A..... Farmer, Tofield, Alberta.

## U

- URQUHART, J. L..... Secretary, Liverpool Corn Trade Association.

## V

- VAN BRÉE, FRANÇOIS..... President, Société Générale de Surveillance, Antwerp, Belgium.  
 VAN KAN, J. ALPHONSE..... President, Belgian Millers' Association, Brussels, Belgium.  
 VAN ROMPA, EUGENE..... Director, Belgian Grain and Produce Co., Antwerp, Belgium.  
 VAN STOLK, C..... Van Stolk Commissiehandel, Rotterdam, Holland.  
 VAN ZWEEDEEN, B..... N. V. Bunge's Handelmaatschappy, Amsterdam, Holland.  
 VERDEEK, WILLIAM..... Van Stolk Commissiehandel, Rotterdam, Holland.  
 VIGOR, HAROLD D..... Vice-Chairman, British Wheat Commission, London, England.

## W

- WAGNER, CLARK O. .... Farmer, Regina.  
 WALKER, GORDON D. .... Farmer, Claresholm, Alberta.  
 WALLACE, ALEXANDER W. .... Farmer, Pasqua, Saskatchewan.  
 WEILER, GEORGES. .... Directeur, N. V. Commissiehandel "Cereales", Rotterdam, Holland.  
 WESSON, JOHN H. .... Vice-President, Saskatchewan Wheat Pool, Maidstone, Saskatchewan.  
 WESTON, GARFIELD W. .... George Weston Ltd., London, England.  
 WHITFORD, JOHN H. .... Farmer, Bon Accord, Alberta.  
 WHITTLE, JOHN. .... General Manager, Midland Pacific Terminal Ltd., Vancouver.  
 WIGGINS, WALTER. .... Agrarian Organizer, Communist Party of Canada, Winnipeg.  
 WILGROSS, LESLIE D. .... Director, Commercial Intelligence Service, Department of Trade and Commerce, Ottawa.  
 WILLIAMS, ERNEST W. .... Grain Purchasing Agent and Manager, Feed and Fodder Branch, Department of Agriculture, Province of Saskatchewan.  
 WILSON, DR. CHARLES F. .... Statistician, Agricultural Branch, Dominion Bureau of Statistics, Ottawa.  
 WILSON, MRS. MARIE. .... Farmer, Harris, Saskatchewan.  
 WOOD, JAFFRAY S. .... President, United Farmers of Manitoba, Oakville, Manitoba.  
 WOODMAN, HORACE. .... Secretary, Treasury Department, Province of Alberta.  
 WRIGHT, FRANK. .... Commissioner, North Battleford, Saskatchewan, Board of Trade.  
 WYATT, FRANK A. .... Professor of Soils, University of Alberta.

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- ZUROWSKI, LEOND R. .... Farmer, Southey, Saskatchewan.

APPENDIX II  
LIST OF EXHIBITS

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1. Statement showing acreage and production of cereal grains in Canada, 1908 to 1935.
2. Statement showing elevator capacity in Canada, 1915-16 to 1935-36.
3. Statement showing country deliveries of wheat and coarse grains, by months, 1921-22 to 1935-36, Western Canada.
4. Statement showing receipts of grain at terminal markets, lake and seaboard ports, 1921-22 to 1935-36.
5. Statement showing lake movement of Canadian grain, 1921-22 to 1935-36.
6. Statement showing transportation costs and handling charges in Western Canada, Argentina and Australia.
7. Statement showing Canadian visible supply of wheat and carry-over stocks of all grains, 1917 to 1936.
8. Statement showing grain prices, basis in store, Fort William or Port Arthur, 1890-91 to 1935-36.
- 8a. "Monthly Review of the Wheat situation", Vol. 7, No. 3, November 20, 1936.
9. Statement showing consumption of wheat in Canada from 1868 to 1935.
10. Statement showing world wheat acreage and production, 1900 to 1935; by countries since 1908.
11. Statement showing world wheat acreage and production, related to exports and imports by 5-year periods.
- 11a. Statement showing world wheat production, leading producing countries, 1931 to 1935.
- 11b. Statement showing world acreage and production of coarse grains, 1931 to 1936.
12. Statement showing c.i.f. prices of wheat at Liverpool, 1930 to 1936.
13. Statement showing world net exports and net imports of wheat and flour, 1920-21 to 1935-36.
- 13a. Statement showing Canadian, Argentine, Australian and U.S.A. wheat exports in percentage of surplus over domestic requirements, 1924-25 to 1935-36.
- 13b. Statement showing wheat and flour imports into China and Brazil, 1925-26 to 1934-35.
14. Statement showing exports of Canadian grains and grain products, crop years 1908-09 to 1935-36.
- 14a. Condensed preliminary report on the trade of Canada—Dominion Bureau of Statistics, 1934.
15. Statement showing United Kingdom wheat imports (excluding flour).
16. Statement showing imports of wheat into the chief importing countries, calendar years 1926 to 1935.
17. Statement showing Canadian grain unloaded at the port of Antwerp and distribution thereof during the period May 1 to October 31, 1936.
18. Submission by Mr. James McAnsh.
19. Submission by Mr. Clive B. Davidson on "The Trade Situation and The Wheat Problem".
20. Statement showing the trade position of Germany, calendar years 1929 to 1935.
21. Statement showing the trade position of France, calendar years 1929 to 1935.
22. Statement showing the trade position of Switzerland, calendar years 1929 to 1935.
23. Statement showing the trade position of Italy, calendar years 1929 to 1934.
24. Statement showing the trade position of the Netherlands, calendar years 1929 to 1935.
25. Statement showing the trade position of Belgium, calendar years 1929 to 1935.
26. Statement showing trade balances of Germany, France, Switzerland, Italy, The Netherlands and Belgium, 1929 to 1935.
27. Statement showing trade of Germany, France, Switzerland, Italy, The Netherlands and Belgium with Canada, United States, Argentina and Australia, 1929 to 1935.
28. Breakdown of classification of Canadian imports.

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29. Statement showing Canadian imports from Switzerland, 1926 to 1936.
  30. Statement showing Canadian imports from Belgium, 1926 to 1935.
  31. Statement showing Canadian imports from The Netherlands, 1926 to 1935.
  32. Statement showing Canadian imports from France, 1926 to 1935.
  33. Statement showing Canadian imports from Italy, 1926 to 1935.
  34. Statement showing Canadian imports from Germany, 1926 to 1935.
  35. Statement showing Canadian imports from Norway, 1926 to 1935.
  36. Statement showing Canadian imports from Sweden, 1926 to 1935.
  37. Breakdown of classification of Canadian imports from Belgium, 1926 to 1935.
  38. Statement showing imports of wheat into The Netherlands, 1926 to 1935, by countries.
  39. Statement showing Canadian imports from The Netherlands, 1926 to 1935, by commodities.
  40. Statement showing Canadian imports from Continental European wheat importing countries, 1930 and 1935.
  41. Statement showing Canadian Trade with the Orient—Japan, China, Hong Kong, 1930 and 1935.
  42. Commercial Intelligence Journal, Vol. LIV, No. 1675, March 7, 1936.
  43. Commercial Intelligence Journal, Vol. LV, No. 1694, July 13, 1936.
  44. Submission by Dr. D. A. MacGibbon entitled "Marketing Methods in the United States, Argentina and Australia".
  45. Submission by Professor Robert McQueen entitled "What is the Position of International Trade Theory and In What Ways, If Any, is it Necessary to Alter the Application of that Theory to Suit the Present World Situation?"
  46. Submission by Professor J. S. M. Alley entitled "What are the Possible Developments in World Monetary Affairs and How are These Developments Likely to Affect the Extent and Character of Future World Trade?"
  47. Lloyd's Bank Ltd. Monthly Review, October, 1935, containing article "The Future of the Foreign Exchanges" by J. M. Keynes, page 527.
  48. Submission by Dr. Charles F. Wilson entitled "Statement *re* Tariffs and Restrictive Measures on Imports, Aids to Domestic Production and Bonuses in Various Countries since 1925".
  49. Submission by Dr. Henry C. Grant entitled "What Have Been and May Be the Developments of Agricultural Protectionism in Europe and their Effects upon the Canadian Export Trade in Wheat?"
  50. Submission by Dr. William F. Geddes entitled "Observations on Milling and Baking Practices in England and Scotland".
  51. Memorandum, "Nature and Extent of the Activities of the Board of Grain Supervisors, 1917-1920".
  52. Pamphlet, "Operations of the Board of Grain Supervisors for Canada, June 11, 1917 to January 31, 1920".
  53. Memoranda of the Board of Grain Supervisors for Canada, November 15, 1917.
  54. Memorandum, "Nature and Extent of the Activities of the Canadian Wheat Board, 1919-1920".
  55. Report of the Canadian Wheat Board, Season 1920.
  56. The Canadian Wheat Board Chairman's Report, 1919-1921.
  57. Pamphlet, "Description of the Official Standards for Wheat, Oats, Barley, Rye and Linseed, Crop Year 1935-36"—Official Publication of the Ministry of Agriculture, Argentine Republic.
  58. Statement showing grades of Canadian wheat shipped to China, crop years 1932-33 to 1935-36.
  59. Statement showing Australian handling charges, supplementary to Exhibit No. 6.
  60. Statement showing percentage world and United Kingdom wheat trade secured by "Big Four" (Canada, Argentina, Australia and U.S.A.), supplementary to Exhibits 13 and 15.
  61. Statement showing per capita consumption of wheat used for food in 14 countries, pre-war and post-war.
  62. Statement showing disposition of Canadian wheat crops—in Prairie Provinces, in all Canada, 1930-31 to 1935-36.
  63. Statement showing percentage that Canadian exportable surplus bears to production, five years 1925 to 1929; five years 1931 to 1935, inclusive.
  64. Statement showing wheat exports in percentage of surplus over domestic requirements, Canada, Argentina, Australia and U.S.A., 1924-25 to 1931-35, supplementary to Exhibit No. 13a.

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65. Pamphlet, "Agricultural Situation and Outlook, Canada"--Dominion Bureau of Statistics and Dominion Department of Agriculture, 1937.
66. Statement showing Canadian imports by commodity classifications, 1930 and 1935.
67. Chronological List of Commercial Agreements.
68. Statement showing the Argentine Trade Position, 1929 to 1935.
69. Chart showing Canadian exports for fiscal year 1936 and Argentine exports for calendar year 1935, by countries of destination.
70. Chart showing Canadian imports for fiscal year 1936 and Argentine imports for calendar year 1935, by countries of origin.
71. Statement showing the trade position of Australia, 1925-26 to 1934-35.
72. Statement showing the trade position of the United States, 1929 to 1935.
73. Statement showing wheat and flour in Canadian exports, 1926 to 1935.
74. Statement showing trade of the Argentine with the Netherlands, Belgium and Switzerland, 1929 to 1935.
75. Map illustrating crop testing plan, 1936, showing points from which wheat samples were collected.
76. Location map of elevators, Searle Grain Company Limited, 1932.
77. Map showing distribution of wheat varieties in Alberta, by electoral districts.
78. Map showing distribution of wheat varieties in Saskatchewan, by electoral districts.
79. Statement showing distribution of the important varieties of wheat seeded in Western Canada in 1936.
80. Map showing distribution of the important varieties of wheat seeded in Western Canada in 1936.
81. Map showing distribution of Marquis wheat seeded in Western Canada in 1936, by percentages.
82. Map showing distribution of Reward wheat seeded in Western Canada in 1936, by percentages.
83. Map showing distribution of Garnet wheat seeded in Western Canada in 1936, by percentages.
84. Map showing distribution of Red Bobs wheat seeded in Western Canada in 1936, by percentages.
85. Map showing distribution of Ceres wheat seeded in Western Canada in 1936, by percentages.
86. Map showing distribution of Durum wheat seeded in Western Canada in 1936, by percentages.
87. Reprint from Scientific Agriculture of April, 1936, entitled "Varietal Composition of Canadian Hard Red Spring wheat", by J. G. C. Fraser and A. G. O. Whiteside.
88. Statement showing varietal composition of overseas cargoes of 1 Northern wheat, 1935 crop, ex Fort William.
89. Statement showing varietal composition of overseas cargoes of 2 Northern wheat, 1935 crop, ex Fort William.
90. Statement showing varietal composition of overseas cargoes of 3 Northern wheat, 1935 crop, ex Fort William.
91. Statement showing varietal composition of overseas cargoes of 1, 2 and 3 Northern wheat, 1935 crop, ex Churchill, Manitoba.
92. Statement showing varietal composition of overseas cargoes of 3 Northern wheat, 1935 crop, ex Montreal.
93. Statement showing varietal composition of overseas cargoes of 2 Northern wheat, 1935 crop, ex Montreal.
94. Statement showing varietal composition of overseas cargoes of 1 Northern wheat, 1935 crop, ex Montreal.
95. Statement showing varietal composition of overseas cargoes of 3 Northern wheat, 1935 crop, ex Vancouver.
96. Statement showing varietal composition of overseas cargoes of 2 Northern wheat, 1935 crop, ex Vancouver.
97. Statement showing varietal composition of overseas cargoes of 1 Northern wheat, 1935 crop, ex Vancouver.
98. Summary of the varietal composition of overseas cargoes received from the Chief Grain Inspector, 1935 crop.
99. Statement showing varietal composition of overseas cargoes of 1 and 2 C.W. Garnet wheat, 1935 crop, ex Fort William and Vancouver.
100. "Handbook of Canadian Spring Wheat Varieties", L. H. Newmar, J. G. C. Fraser, A. G. O. Whiteside.

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101. Protein Survey Map of Western Canada, Hard Red Spring Wheat, 1935 crop.
102. Protein Survey Map of Western Canada, Grades 1 Hard, 1, 2 and 3 Northern Wheat, 1934 crop.
103. Letter from Assistant Secretary of Winnipeg Grain Exchange to Johann Kristjanson, Mozart, Sask.
104. Pamphlet, "A Skinner, First Skins One and Then the Other" by Johann Kristjanson.
105. Memorandum for presentation to the Commission re grain marketing, by the North Battleford Board of Trade.
106. A Resolution of the Avondale Study Group.
107. Submission by the Citizens' Wheat Board and Price League, Saskatoon.
108. Chart showing competition between crop and weeds as shown by their root systems.
109. Photograph of root system of brome grass, 100 days after emergence.
110. Photograph of root system of Marquis wheat, 80 days after emergence.
111. Circulars No. 516, 528, 531 and 532, College of Agriculture, University of Saskatchewan, re eradication of noxious weeds.
112. Submission by Dr. William Allen on "Economic Problems of Saskatchewan Grain Producers".
113. Report No. 2, Bulletin No. 65, May, 1935, College of Agriculture, University of Saskatchewan, "Studies of Farm Indebtedness and Financial Progress of Saskatchewan Farmers".
114. Bulletin No. 64 of the College of Agriculture, University of Saskatchewan, "Studies of Probable Net Farm Revenues for the Principal Soil Types of Saskatchewan".
115. Soil Survey Report No. 10 of the College of Agriculture, University of Saskatchewan.
116. Soil Map of Saskatchewan, Map No. 1—Southwest area.
117. Soil Map of Saskatchewan, Map No. 2—Northwest area.
118. Soil Map of Saskatchewan, Map No. 3—Northeast area.
119. Soil Map of Saskatchewan, Map No. 4—Southeast area.
120. Report No. 1, Bulletin No. 60, College of Agriculture, University of Saskatchewan, December, 1934; "Studies of Farm Indebtedness and Financial Progress of Saskatchewan Farmers".
121. Report No. 3, Bulletin No. 68, College of Agriculture, University of Saskatchewan, November, 1935; "Studies of Farm Indebtedness and Financial Progress of Saskatchewan Farmers".
122. Report No. 4, Bulletin No. 71, College of Agriculture, University of Saskatchewan, March, 1936; "Studies of Farm Indebtedness and Financial Progress of Saskatchewan Farmers".
123. Charts Relating to Wheat Problems, with Brief Explanatory Notes; by Dr. W. Sanford Evans.
124. Chart showing wheat car loadings, Prairie Provinces, 1929-30 to 1935-36.
125. Chart showing wheat shipments, Great Lakes, 1929-30 to 1935-36.
126. Reprint from proceedings of World's Grain Exhibition & Conference, Regina, 1933, "Present World Wheat Situation and Prospects" by Dr. W. Sanford Evans.
127. Wheat Studies of the Food Research Institute, Volume XII, No. 7, March, 1936, entitled "Canadian Wheat Stabilization Operations, 1929-35".
128. Chart showing world carry-over ex Russia and China, August 1, 1922 to 1936.
129. Report of the Commission to Enquire into Trading in Grain Futures, 1931.
130. Statement by the President of the Winnipeg Grain Exchange, Mr. W. J. Dowler.
131. Report of the Royal Grain Inquiry Commission, 1925.
- 131a. Interim Report of the Royal Grain Inquiry Commission, Vancouver, B.C., June 19, 1924.
132. Book entitled "Contract Markets for Commodities" by A. L. Russell.
133. Letter from Austin D. Sturtevant of Bartlett Frazier Company, Chicago to Mr. W. J. Dowler of Winnipeg, attaching report of the Special Committee of the Chicago Board of Trade to study the desirability of establishing a market for trading in futures in soy beans.
134. Findings of the Farmers National Grain Dealers Association Commission to Inquire into Agencies, Laws and Regulations Affecting Grain Prices.
135. Hearings of the Farmers National Grain Dealers Association Commission to Inquire into Agencies, Laws and Regulations Affecting Grain Prices.

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136. Minutes of Evidence of Dr. Robert Magill before the Select Standing Committee on Agriculture and Colonization at Ottawa, April 25 and 26, 1922.
137. Statement re wheat prices prepared by Sanford Evans Statistical Service.
138. Constitution and by-laws of the Winnipeg Grain Exchange, to May 1, 1937.
139. Statement of Winnipeg wheat prices for 26 years, 1908-09 to 1933-34, prepared by Sanford Evans Statistical Service, Winnipeg.
- 139a. Statement of Winnipeg wheat prices from August, 1934 to September, 1936, prepared by Sanford Evans Statistical Service, Winnipeg.
140. Submission by the Secretary of the Winnipeg Grain Exchange, Mr. Arthur E. Darby.
141. Statement of wheat prices, July 21 to 28, 1919.
142. Evidence and Proceedings before the Commission to Inquire into Trading in Grain Futures, April, 1931.
143. Report of Chief of the U.S. Grain Futures Administration for Fiscal Year 1936.
144. Report of Chief of the U.S. Grain Futures Administration for Fiscal Year 1930.
145. Report of Chief of the U.S. Grain Futures Administration for Fiscal Year 1931.
146. U.S. Department of Agriculture Circular No. 397, May, 1936; "Analysis of Open Commitments in Wheat and Corn Futures on the Chicago Board of Trade, September 29, 1934", D. B. Bagnell.
147. Final Act, Conference of Wheat Exporting and Importing Countries, signed at London, August 25, 1933.
148. Minutes of Proceedings and Evidence of the Special Committee on Bill 98, Canadian Grain Board Act, 1935.
149. Statement by Mr. Frank O. Fowler on behalf of the Winnipeg Grain and Produce Exchange Clearing Association Limited.
150. General By-Laws and Rules of the Winnipeg Grain and Produce Exchange Clearing Association Limited, as amended August 1, 1929.
151. Minutes of Proceedings and Evidence of the Special Committee on the Marketing of Wheat and other Grains, House of Commons, 1936.
152. Submission by the North-West Grain Dealers' Association entitled "The Country Elevator".
153. Submission by R. K. Beairisto on financing of the western grain crop.
154. Rules and Regulations of the Secretary of Agriculture under the Grain Futures Act, United States Department of Agriculture.
155. Report of the Grain Futures Administration, U.S. Department of Agriculture, dated September 9, 1924.
156. Report of the Grain Futures Administration, U.S. Department of Agriculture, dated October 1, 1925.
157. Report of the Chief of the Grain Futures Administration, U.S. Department of Agriculture, dated December 15, 1930.
158. Report of the Chief of the Grain Futures Administration, U.S. Department of Agriculture, dated September 1, 1931.
159. Report of the Chief of the Grain Futures Administration, U.S. Department of Agriculture, dated September 1, 1932.
160. Report of the Chief of the Grain Futures Administration, U.S. Department of Agriculture, dated September 1, 1933.
161. Report of the Chief of the Grain Futures Administration, U.S. Department of Agriculture, dated September 1, 1934.
162. Report of the Chief of the Grain Futures Administration, U.S. Department of Agriculture, dated August 31, 1935.
163. Report of the Chief of the Grain Futures Administration, U.S. Department of Agriculture, dated September 28, 1936.
164. The United States Commodity Exchange Act, 1936.
165. Pamphlet, "Lake Shippers' Clearance Association. Its Functions and Service in the Economic Shipment and Transportation of Western Grain".
166. By-Laws, Rules and Regulations of the Lake Shippers' Clearance Association.
167. Submission by Mr. C. E. Hayles on Terminal Elevators.
168. Broker's Note.
169. Map showing location and capacity of public and semi-public terminal elevators in Canada.
170. Submission by Mr. Henry C. Gauer on Shippers and Exporters.
171. Minutes of Proceedings and Evidence of the Select Standing Committee on Agriculture and Colonization, 1931, Nos. 7 and 8.
172. Agreement between the U.K. and the Argentine Government relating to Trade and Commerce with Protocol, Protocol of Signature and Letters, London, December 1, 1936.



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173. Convention between the Government of the United Kingdom and the Government of the Argentine Republic relating to Trade and Commerce, with Protocol, London, May 1, 1933. (Treaty Series No. 2, 1934.)
  174. Supplementary Agreement between the Government of the United Kingdom and the Government of the Argentine Republic, relating to Trade and Commerce, with Protocol, Buenos Aires, September 26, 1933. (Treaty Series No. 3, 1934.)
  175. Pamphlet, "The Canadian Wheat Pool in Prosperity and Depression", by Harald S. Patton.
  176. Pamphlet, "The Market Influence of the Canadian Wheat Pool", by Harald S. Patton.
  177. Submission by Harald S. Patton on "Pool Marketing of Canadian Wheat".
  178. Copy of the *Annalist* of Friday, July 31, 1936, containing article on "Experiments in Wheat Control; United States Wheat Prices and the Canadian Wheat Board," by H. S. Patton.
  179. Wheat Studies of the Food Research Institute, Volume VII, No. 2, December, 1930, entitled "The World Wheat Situation, 1929-30", and "The Canadian Wheat Pool and Prices".
  180. Presentation of United Grain Growers' Ltd., No. 1, General Statement.
  181. Pamphlet, "What is the Grain Growers' Grain Company Limited, and What Does it Stand For?"
  182. By-laws and Charter of United Grain Growers, Limited.
  183. Book entitled "Grain Growers' Co-operation in Western Canada", by H. S. Patton.
  184. Book entitled "A History of the Farmers' Movement in Canada", by Louis Aubrey Wood.
  185. Book entitled "Economic Problems of the Prairie Provinces", by W. A. Mackintosh.
  186. Annual Report of the Grain Growers' Grain Co., Ltd., Winnipeg, 1917.
  187. Annual Report of the United Grain Growers Ltd., 1936.
  188. "Grain Merchandising Functions of the Elevator Systems of Western Canada", H. L. Griffin in Volume 1, Proceedings of the World's Grain Exhibition and Conference, Regina, 1933.
  189. Pamphlet, "The Record of the United Grain Growers Ltd., on the Question of Pool Marketing".
  190. Annual Report of the United Grain Growers, Ltd., 1920.
  191. A statement of Policy followed by United Grain Growers, Ltd., during a period of twenty-four years towards other farmers' organizations.
  192. Annual Report of the United Grain Growers Ltd., 1926.
  193. "The U.F.A.," Calgary, Alberta, of February 15, 1926, containing address by Henry Wise Wood before the United Farmers of Alberta Annual Convention.
  194. Report of the Royal Commission to Inquire into Charges Against Manitoba Pool Elevators, Ltd., 1931.
  195. "The Grain Market Situation"; Six Annual Reviews issued by the United Grain Growers Limited, 1930 to 1935.
  196. Wheat Studies of the Food Research Institute, Volume III, No. 9, August, 1927, containing article entitled "Reactions in Exporting and Importing Countries to Changes in Wheat Prices".
  197. The Country Guide, May, 1934, containing article entitled "Wheat Should Be Handled Separately".
  198. Annual Report of the United Grain Growers Ltd., 1935.
  199. Annual Report of the United Grain Growers Ltd., 1934.
  200. Annual Report of the United Grain Growers Ltd., 1933.
  201. 12th Annual Report, 1936, Saskatchewan Co-operative Wheat Producers Ltd.
  202. Directors' Report of Manitoba Pool Elevators, Ltd., July 31, 1936.
  203. Excerpt from Winnipeg Tribune, October 17, 1936, headed "Pool Delegates Protest Wheat Board Set-up".
  204. Annual Report of the Alberta Wheat Pool, 1935-36.
  205. Addresses and Reports Presented to the United Farmers of Alberta Convention, January, 1937.
  206. House of Commons Debates, unrevised editions, Thursday, July 4, 1935.
  207. Minutes of United Farmers of Manitoba 34th Annual Convention, Neepawa, Manitoba, October 27 to 29, 1936.
  208. The Western Producer of July 30, 1936, containing resolution *re* Wheat Board.

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209. Report of the Canadian Wheat Board, crop year 1935-36.
210. "The Budget" of December 19, 1936,—Alberta Wheat Pool.
211. "The Budget" of January 2, 1937,—Alberta Wheat Pool.
212. The Western Producer of January 14, 1937.
213. Program of the United Farmers of Alberta 29th Annual Convention, Calgary, January 19 to 22, 1937.
214. Answers to Questions 3, 4, 5 and 6 directed to the Trade by Commission Counsel.
215. Answers to Questions 7, 8, 9 and 10 directed to the Trade by Commission Counsel.
216. Answers to Questions 11, 12, 13 and 14 directed to the Trade by Commission Counsel.
217. Answer to Question 18 directed to the Trade by Commission Counsel.
218. Submission by the Canadian National Millers' Association.
219. Statement giving statistical information on flour.
220. Submission by the Ontario Flour Millers' Association.
221. Statement made on behalf of the Canadian Wheat Pools to Royal Commission to Inquire into Trading in Grain Futures, Winnipeg, April 21, 1931.
222. Statement showing estimates of consumption of wheat in France.
223. Statement in reference to German Tariff Policy in 1879.
224. Statement showing quotas and regulations imposed on wheat growers and millers in Germany.
225. Statement showing estimates of consumption of wheat in Germany, 1924-25 to 1935-36.
226. Summary of Trade Agreement between Argentina and Switzerland.
227. Translation of Netherlands-Hungarian Clearing Agreement.
228. Summary of Provisional Agreement on Commerce and Navigation, between Argentina and The Netherlands.
229. Summary of Provisional Commercial Agreement between Argentina and the Belgium-Luxemburg Economic Union.
230. Summary of Trade Agreement between Argentina and Germany for one year ending October 31, 1935.
231. Extract from U.S. Department of Commerce Reports describing the extension of the Argentina-Germany Trade Agreement to October 31, 1936.
232. Translation of Trade Agreement between Switzerland and Hungary.
233. List of corrections to transcript of evidence of Dr. L. H. Newman, on December 10, 1936.
234. Letter from Henry L. Griffin giving correction in transcript of Mr. Law's evidence.
235. Letter from Daniel C. MacLachlan giving corrections in transcript of his evidence.
236. Correction to Exhibit No. 7.
237. Additional statement with reference to evidence of Mr. R. S. Law.
238. Additional statement with reference to evidence of Mr. R. S. Law, (No. 2).
239. Additional statement with reference to evidence of Mr. R. S. Law, (No. 3).
240. Proceedings of the International Wheat Pool Conference, St. Paul, Minn., 1926.
241. Proceedings of the Second International Co-operative Wheat Pool Conference, Kansas City, Missouri, 1927.
242. Table showing methods of marketing wheat, 1929-30 to 1931-35.
243. Table showing purchases and sales of wheat and flour, by months, by the Canadian Wheat Board of 1919.
244. Letter dated December 21, 1936, and corrected table No. 12 (page 35B) of submission of Dr. William Allen.
245. Press releases of the Department of State, U.S. Government, Saturday, December 28, 1935.
246. Statement of the Secretary of the Vancouver Grain Exchange.
247. Constitution and by-laws of the Vancouver Grain Exchange.
248. Commercial Intelligence Journal, Volume LIII, No. 1661, Ottawa, November 30, 1935, containing "Review of China's Wheat Import Trade" by B. A. McDonald.
249. Commercial Intelligence Journal, Vol. LIV, No. 1679, Ottawa, April 4, 1936, containing article "Wheat and Wheat Flour Trade of Japan in 1935" by T. J. Monty.
250. Map showing revised grain freight rates of Western Canada, eastbound and westbound zones; Sanford Evans Statistical Service, April, 1932.

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251. Broker's Note.
252. Map of Vancouver Harbour showing location of terminal elevators.
253. Submission by Dr. J. Lyle Telford *re* freight rates (No. 1).
254. Submission by Dr. J. Lyle Telford *re* screenings.
255. Submission by Dr. J. Lyle Telford *re* Vancouver Harbour Board.
256. Submission by Dr. J. Lyle Telford *re* Vancouver and Montreal comparative grain prices.
257. Further Submission by Dr. J. Lyle Telford *re* freight rates (No. 2).
258. Pamphlet "Marketing Canada's Wheat" by James E. Boyle, Ph.D.
259. Further Submission by Dr. J. Lyle Telford *re* freight rates (No. 3).
260. Submission by Dr. J. Lyle Telford *re* western feeding grain cost at Vancouver.
261. Submission by Dr. J. Lyle Telford entitled "Freight Rate Anomalies".
262. Submission by Dr. J. Lyle Telford *re* statement of Mr. J. H. Hamilton before the Commission.
263. Submission by Dr. J. Lyle Telford entitled "Exploitation of B.C. Consumers".
264. Submission by Dr. J. Lyle Telford *re* "Report of the Grain Trade of Canada, 1924".
265. Submission by Dr. J. Lyle Telford *re* "Digest of Canadian Grain Statistics", March 19, 1937.
266. Statement showing maximum tariff of charges, terminal elevators west of Calgary.
267. Warehouse receipt for grain received in store, Midland Pacific Terminal Limited.
268. Memorandum "Wheat and Flour Situation in Japan" by J. P. Manion, Canadian Assistant Trade Commissioner in Japan.
269. Extract from the Northwestern Miller of January 1, 1930, entitled "Ajinomoto, An Oriental Product Made from Wheat Flour" by C. H. Briggs.
270. Statement of Mr. John Glossop as presented to Hon. W. R. Motherwell, with statement to Commission attached.
271. First permanent record of Mr. John Glossop regarding certain grain shipments from private terminal elevator.
272. Board of Grain Commissioners Statement "A" on Wheat, June 16, 1934 to June 15, 1935.
273. Letter from Mr. C. Willmot Maddison to Mr. Justice Turgeon, dated April 1, 1937.
274. Brokers' Contract Form 28A London Corn Trade Association, Grain Futures Contract, for Canadian Wheat.
275. Brokers' Contract Form 76B London Corn Trade Association, Grain Futures Contract, for Canadian Wheat.
276. Brokers' Future Delivery Contract 2B of the Liverpool Corn Trade Association, Limited, for Wheat, Liverpool Grade.
277. Statement showing ocean freight rates, Vancouver and New Westminster to United Kingdom, Continent, January, 1924 to July, 1935.
278. Preliminary Soil Survey of the Peace River-High Prairie-Sturgeon Lake Area by Dr. F. A. Wyatt, University of Alberta, Edmonton.
279. Soil Survey of St. Ann Sheet by Dr. F. A. Wyatt, J. D. Newton and T. H. Mather, University of Alberta, Edmonton.
280. Submission by Grain Section, Edmonton Chamber of Commerce.
281. Copy of Order in Council, P.C. 111 of January 18, 1937.
282. Submission by Dr. A. G. McCalla.
283. Letter from Peace River Milling Company to Dr. McCalla, dated April 2, 1937, together with table.
284. Statement showing milling and baking tests, samples of varieties grown in Argentina.
285. Statement showing mean loaf volumes of Argentine samples, standard grades, 1936 crop.
286. "The Press Bulletin" of the Department of Extension, University of Alberta, No. 3, Volume XXII, February 1, 1937.
287. Statement showing comparative grain prices—Canada and United States, July 20, 1917 to August 15, 1919.
288. Copies of Alberta Legislation under which distribution of feed and seed relief carried on in Alberta since 1930.
289. Form of order to vendor of relief grain under the Province of Alberta Agricultural Relief Advances Act.
290. Form of demand note for seed grain, 1937, Province of Alberta.
291. Form of lien accompanying the demand note under the Agricultural Relief Advances Act, Province of Alberta.

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292. Form of application for grain for seeding purposes under the Agricultural Relief Advances Act, 1936, Province of Alberta.
293. Form of feed grain and/or fodder demand note, Province of Alberta, Relief Year 1936-37.
294. Form of application for loan for the purchase of feed grain and/or fodder, with form of lien attached, Province of Alberta Agricultural Relief Advances Act.
295. Form of chattel mortgage covering advance under the Agricultural Relief Advances Act, Province of Alberta, 1936.
296. Form of order to ship or deliver grain or fodder under the Relief Act, 1937-38, Province of Alberta.
297. Form of promissory note for tractor fuel and/or oil, Province of Alberta.
298. Form of order to deliver tractor fuel and/or oil, Province of Alberta.
299. Form of application for loan for the purchase of tractor fuel and/or oil, the Agricultural Relief Advances Act, 1936, Province of Alberta.
300. Circulars *re* operation and administration of agricultural relief under the Agricultural Relief Advances Act, 1936, Province of Alberta.
301. Consolidated statement of receipts and expenditures for the period April 1, 1930 to October, 1937, Agricultural Relief, Province of Alberta.
302. Statement showing feed and fodder advances, April 1, 1930 to September 30, 1936, Province of Alberta, Agricultural Relief.
303. Statement showing seed grain advances, April 1, 1931 to September 30, 1936, Province of Alberta, Agricultural Relief.
304. Statement showing freight on feed and seed, April 1, 1930 to October 31, 1936, agricultural relief, Province of Alberta.
305. Statement showing agricultural relief expenditures. Seed grain losses in Nampa district, April 1, 1932 to March 31, 1933, Province of Alberta.
306. Statement showing agricultural relief expenditures, tractor fuel and oil, April 1, 1935 to March 31, 1937, Province of Alberta.
307. Statement showing bonus to registered seed growers, April 1, 1931 to March 31, 1932, Province of Alberta agricultural relief expenditures.
308. Statement showing purchases of potatoes and vegetables, April 1, 1933 to March 31, 1936, Province of Alberta agricultural relief expenditures.
309. Statement showing movement of settlers, April 1, 1930 to March 31, 1937, Province of Alberta agricultural relief expenditures.
310. Statement showing movement of stock to wintering areas, April 1, 1933 to March 31, 1937, Province of Alberta agricultural relief expenditures.
311. Statement showing wintering of horses from dry area, April 1, 1933 to March 31, 1935, Province of Alberta agricultural relief expenditures.
312. Statement showing freight on stocker and feeder cattle, April 1, 1930 to March 31, 1936, Province of Alberta agricultural relief expenditures.
313. Statement showing purchase of cattle in drought area, 1934-35, Province of Alberta agricultural relief expenditures.
314. Statement showing relief-land settlement, April 1, 1932 to March 31, 1936, Province of Alberta agricultural relief expenditures.
315. Statement showing agricultural relief administration, April 1, 1931 to May 31, 1936, Province of Alberta agricultural relief expenditures.
316. Statement showing net expenditures on agricultural relief, and treasury bills issued to Dominion Government, 1930-31 to 1935-36. Department of Agriculture, Province of Alberta.
317. Two statements showing quantity, value and average price paid for relief feed grain and relief seed grain purchased during the years 1931-32, 1932-33, 1933-34, 1935-36. Department of Agriculture, Province of Alberta.
318. Submission by Mr. O. S. Longman *re* "Land Utilization under Special Municipal Areas Act, Province of Alberta".
319. Map of Alberta showing areas affected by 5, 4, 3, 2, and 1 years of drought.
320. Map showing Alberta drought area.
321. Submission by O. S. Longman *re* "Improvement of Cereal Crops in Alberta".
322. Statement of rates on grain for export to Vancouver from Northern Alberta Railway points, showing how they compare with Crows Nest Rates.
323. Statement of rates on grain for export to Port Arthur from Northern Alberta Railway Points via Edmonton and C.N.R. showing how they compare with the Crows Nest Pass Schedule.
324. Statement of Grain Section, Edmonton Chamber of Commerce, *re* Northern Alberta wheat.

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325. Statement showing Winnipeg cash close, April 15, 1937, by grades.
  326. Submission by Major H. G. L. Strange entitled "A Price Index of 'Things Farmers Buy,' Generally Known as the 'Searle Index'".
  327. Recommendations of the Meteorological Conference held at Winnipeg, November 5 and 6, 1931.
  328. Map showing long-time average annual precipitation, Prairie Provinces, with explanations appended.
  329. Report, "The Agricultural Situation and Outlook, 1937".
  330. Submission by the Pool Organizations of Alberta, Saskatchewan and Manitoba, Part I.
  331. Submission by the Pool Organizations of Alberta, Saskatchewan and Manitoba, Part II.
  332. Copy of Resolution passed by Canadian Council of Agriculture, October 22, 1920, and Report of December 9, 1920, by committee appointed.
  333. Report to the Government of Saskatchewan on Wheat Marketing by James Stewart and F. W. Riddell.
  334. Letters received by the Pool from overseas correspondents *re* closing of London office. (Confidential Exhibit.)
  335. Statement of Pool payments per bushel for the years 1924 to 1930.
  336. Statement showing Pool deductions for Elevator and Commercial Reserves, basis No. 1 Northern.
  337. Pamphlet, "Tides in the West".
  338. Pamphlet, "Pool Facts and Wheat Prices". Address by Mr. D. L. Smith, Sales Manager, Canadian Pool, October 27, 1926.
  339. Report of radio speech by Mr. J. H. Wesson, extracted from *Western Producer* of January 20, 1927.
  340. Submission by Mr. John H. Rhodes.
  341. Pamphlet, "The World Wheat Problem and the London Agreement".
  342. Statement of the Associated Boards of Trade of Macleod, Granum, Claresholm, Stavely, Nanton, Cayley, High River and Pincher Creek, Alberta.
  343. Submission by Mr. W. S. Morrison.
  344. Submission by Mr. C. W. Peterson.
  345. Pamphlet, "Immigration and Its Economic Background" by C. V. Peterson.
  346. United States Department of Agriculture Bulletin entitled "Agricultural Price-supporting Measures in Foreign Countries".
  347. Submission by Mr. Alfred Rawlins.
  348. Essay by Mr. Rawlins on "Some Major Problems in Grain Marketing".
  349. Statement showing voluntary Pool payments, 1931-32 to 1934-35, basis No. 1 Northern.
  350. Statement showing Canadian Co-operative Wheat Producers Limited export offers and comparison with market prices, July, August and September, 1929.
  351. Statement showing Wheat Pool elevator and commercial reserve deductions 1923-24 to 1928-29.
  352. Statement showing Pool average monthly sales.
  353. Pamphlet, "Pooling Alberta's Wheat", issued by Alberta Co-operative Wheat Producers Limited.
  354. Chart showing sales of wheat by Central Selling Agency and High and Low of cash prices, No. 1 Northern at Winnipeg by months for crop years 1924-25 to 1929-30.
  355. Reports of the Royal Grain Inquiry Commission, 1928, Province of Saskatchewan.
  356. Statement showing Pool deliveries by Provinces, 1924-25 to 1930-31, inclusive.
  357. Statement showing deliveries and sales by months, of the Canadian Co-operative Wheat Producers Limited, September, 1930, to August, 1931, inclusive.
  358. Statement of futures sold for account of new season by Canadian Co-operative Wheat Producers Limited, 1924-25 to 1928-29, inclusive.
  359. Wheat Pool file of various contracts and marketing agreements employed.
  360. Submission by Mr. John I. McFarland.
  361. Statement of receipts and sales of cash grain and futures contracts, Canadian Co-operative Wheat Producers Limited, Wheat Division, 1930 crop. August 22, 1930 to December 2, 1935.
  362. Statement of receipts and sales of cash grain and futures contracts, Canadian Co-operative Wheat Producers Limited, Coarse Grains Division, 1930 crop, 1930 to 1935.

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363. Statement showing Canadian Co-operative Wheat Producers Limited special suspense account. Daily purchases and sales of futures contracts, July 1, 1931 to December 2, 1935.
364. Statement of receipts and sales of cash grain and futures contracts from August 1, 1935 to December 2, 1935; Canadian Co-operative Wheat Producers Limited, Wheat Division, special suspense account.
365. Statement showing Canadian Co-operative Wheat Producers Limited special suspense account and total holdings of wheat and wheat futures, Table 1, July 1931 to May, 1935. Table B, June, 1935 to December, 1935.
366. Statement showing Canadian Co-operative Wheat Producers Limited approximate combined average costs per bushel; 1930 Pool and special wheat holdings.
367. Statement showing Canadian Co-operative Wheat Producers Limited deliveries, sales and holdings of 1930 Pool wheat, August 22, 1930 to December 2, 1935.
368. Statement showing Canadian Co-operative Wheat Producers Limited special suspense sales and purchases, June 24 to August 12, 1933.
369. Submission by William F. Gilbert.
370. Pamphlet "The Canadian Desert" by Major Duncan Stuart, K.C.
371. Submission by Major Duncan Stuart, K.C.
372. Submission by Mr. O. N. Gilbert.
373. Pamphlet, "Water Conservation in the Prairie Provinces" by T. C. Main.
374. Form of petition requesting Government Wheat Board.
375. Signed petitions requesting Government Wheat Board.
376. File of various letters relative to petition requesting Government Wheat Board.
377. Submission by Mr. Emmanuel Randle.
378. Book entitled "Deserts on the March" by Paul B. Sears.
379. "Pacific Affairs", Vol. VIII, No. 4, December, 1935, with index.
380. File of correspondence between Sir Herbert T. Robson and John I. McFarland, February to May, 1935.
381. Submission by the United Farmers of Alberta.
382. Submission by Mr. Will Moodie.
383. Statement showing deliveries, sales and holdings of 1930 Pool coarse grains, Canadian Co-operative Wheat Producers Limited.
384. Submission by Mr. George Bennett.
385. Submission by Mr. Ben Cool.
386. Copy of Saturday Evening Post of May 8, 1937, containing article "That Ever-normal Granary" by James E. Boyle.
387. Submission by Mr. Arthur P. Shuttleworth.
388. Submission by Mr. Nels P. Nelson.
389. Submission by Mr. Allan Ruttan.
390. Submission by Mr. W. T. Mooney.
391. Resolution passed at a Regina meeting of representative farmers from the district.
392. Extracts from Hansard, pages 2066 to 2070, Volume 2, 1935.
393. Minutes of Proceedings and Evidence and the Report of the Select Standing Committee on Agriculture and Colonization, 1928.
394. Extracts from the Report of the Royal Grain Inquiry Commission, 1925.
395. Copies of correspondence from the files of the Department of Trade and Commerce, as submitted in the evidence before the Select Standing Committee on Agriculture and Colonization, 1928.
396. Statement of Hon. Dr. W. R. Motherwell regarding the Wheat Board.
397. Submission by Mr. William Robinson.
398. Submission by Mr. John H. Wesson for the Pool Organizations of Alberta, Saskatchewan and Manitoba.
399. "Monthly Review of the Wheat Situation", Volume 7, No. 8, April 23, 1937.
400. Excerpt from the London Observer of April 4, 1937, on "Bread Prices in Great Britain".
401. Wheat Studies of the Food Research Institute, Volume XII, No. 4, December, 1935.
402. Book entitled "Wheat and the A.A.A." by J. S. Davis.
403. Statement of Hon. George Spence on behalf of the Province of Saskatchewan.
404. Submission by Mr. James G. Knox for the Saskatchewan Association of Rural Municipalities.
405. Submission by Mr. Harold McNally.
406. Statement of prices received from 1929 wheat crop by Mr. Harold McNally.

407. Statement showing country elevator receipts by provinces, August 1, 1936 to April 30, 1937.
408. Statement showing wheat deliveries to Saskatchewan Pool Elevators Ltd., sold by farmers during each of the first four crop months, seasons 1931-32 to 1935-36, inclusive.
409. Submission by Mr. Walter Wiggins for the Communist Party of Canada.
410. Submission by Mr. Gordon F. Connell.
411. Submission by Mr. William E. Jones.
412. Submission by Mr. Joseph Marshall.
413. Submission by Mr. Ira B. Cushing.
414. Submission by the On-to-the-Bay Association.
415. Statement showing grain deliveries at points on C.N.R. which have the same or lower freight rate to Churchill than Port Arthur, for crop years 1931-32 to 1935-36, inclusive.
416. Statement showing location and number of elevators with their total capacity, on C.N.R. at points which have the same or lower freight rate to Churchill than Port Arthur.
417. Statement showing approximate average charges between producer in Western Canada and the arrival of vessel at British ports, per bushel of wheat exported via Montreal, Sorel, Quebec, Vancouver, New Westminster and Churchill for the calendar year 1935.
418. Map showing freight rates on grain to Port Arthur and in different colours the areas which have favourable rates to Churchill.
419. Submission by Mr. Theodore Grosenick.
420. Circular letter of the Pioneer Grain Co., Limited, dated August 31, 1936 to All Saskatchewan and Manitoba Agents *re* Canadian Wheat Board Minimum Price.
421. Circular letter of Saskatchewan Co-operative Wheat Producers Limited, dated September 8, 1936 to All Members of Wheat Pool Committees *re* Canadian Wheat Board Minimum Price.
422. Circular letter of Western Grain Company, dated September 9, 1936 to All Agents *re* Canadian Wheat Board Minimum Price.
423. Submission by Mr. Frank J. Bolster.
424. Letter from Board of Grain Commissioners to Mr. W. H. Ismond.
425. Submission by Mr. Richard W. McKinnon.
426. Submission by Mr. William A. Small.
427. Statement of Canadian Wheat Board daily bushel transactions, for the period December 2, 1935 to November 30, 1936—Old Wheat.
428. Statement of Canadian Wheat Board daily bushel transactions, for the period September 12, 1935 to November 21, 1936—1935 Crop.
429. Statement of Canadian Wheat Board combined daily bushel transactions, September 12, 1935 to November 30, 1936—1935 Crop and Old Wheat.
430. Particulars of 1936 crop wheat received by Canadian Wheat Board during the period from August 1 to August 27, 1936, at the provisional price of 87½c. basis No. 1 Northern and the disposition thereof.
431. Statement showing Canadian Wheat Board deliveries and sales, September 1, 1935 to December 1, 1936.
432. Summary of Canadian Wheat Board weekly sales and prices, December 9, 1935 to July 31, 1936.
433. Statement showing Winnipeg closing prices, all grains, by months, August, 1936 to April, 1937.
434. Statement showing approximate average cost per bushel, Old Wheat, 1936, basis No. 1 Northern, Canadian Wheat Board.
435. Submission by Mr. James R. Murray.
436. Copy of P.C. 2202. Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 28th August, 1936.
437. Circular letters of the Canadian Wheat Board to Grain Trade.
438. Circular letters of North West Grain Dealers' Association to members *re* Canadian Wheat Board minimum price.
439. Circular letters of Saskatchewan Pool Elevators Ltd. to Agents *re* Canadian Wheat Board minimum price.
440. Further submission by Mr. James R. Murray.
441. "Monthly Review of the Wheat Situation", Vol. 6, No. 10, June 19, 1936.
442. C.I.F. prices of wheat at Liverpool, January 1, 1930 to February 24, 1937.
443. Brochure, "Developing the British Market for Canadian Wheat".
444. Folder presenting an advertising campaign of the Canadian Wheat Board.

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445. Statement showing approximate average cost per bushel, Old Wheat, 1936, Canadian Wheat Board.
446. Submission by Mr. Johannes Einarsson.
447. Submission by Mr. Hendrick T. Hansen.
448. Submission by Mr. Oscar Glaze.
449. Submission by the Gull Lake Farmers Organization, presented by Mr. Neil McTaggart.
450. Statement showing record of crop yields with cost and price per bushel of wheat grown and marketed from the farm of McDermid Rankin.
451. Booklet, "Agricultural Marketing Schemes in Action" by W. H. Myles, M.B.E., M.A., and memorandum re the hops marketing scheme under the Agricultural Marketing Act (U.K.) with copy of Act.
452. Chart submitted by Mr. M. S. Hesla showing closing May prices, average price and deliveries made at Grand Coulee during the period August, 1936 to May, 1937.
453. Submission by Mr. M. S. Hesla.
454. Booklet containing "Various Statements by Pool Leaders".
- 445a. Annual Reports of the Saskatchewan Co-operative Wheat Producers Ltd., 1925 to 1930, inclusive.
- 455b. Annual Reports of the Saskatchewan Co-operative Wheat Producers Ltd., 1931 to 1930, inclusive.
456. Annual Reports of the Alberta Wheat Pool, 1926-27 to 1935-36, inclusive.
457. Annual Reports of the Manitoba Wheat Pool, 1925 to 1930, and of Manitoba Pool Elevators, Ltd., 1932 to 1936.
458. Copy of George Broomhall's Corn Trade News, Vol. XLVI, No. 31, July 29, 1936.
459. Telegram dated May 27, 1937 to the Secretary of the Commission from the Secretary of the Commercial Intelligence Service, Ottawa, and an extract from the Australian Year Book, 1936, re bounties paid to Australian farmers.
460. Copy of Wheat Act, 1932, 22 and 23, Geo. V, Ch. 24.
461. Handbook of Directions to Authorized Merchants, under Wheat Act, 1932.
462. By-laws of the Wheat Commission—Fourth Edition.
463. Report of the Standard Price Committee—June, 1935.
464. Booklets of London Co-operative Society and copy of address on "Proposals for a Price Policy or a Bread Price Board".
465. Memorandum No. 1 of the Secretariat of the Wheat Advisory Committee, "The World Demand for Imported Wheat".
466. Memorandum No. 2 of the Secretariat of the Wheat Advisory Committee, "The Wheat Policies of European Governments".
467. Submission by Mr. James E. Dixon.
468. Answers of National Federation of Corn Trade Associations to the Commission Questionnaire.
469. Specimens of Canadian and American Forms of Contract, London Corn Trade Association.
470. Memorandum No. 3 of the Secretariat of the Wheat Advisory Committee, "The International Wheat Agreement" (Confidential).
471. Fourth Report of the Wheat Advisory Committee to the Governments signatory to the final Act of the Conference of Wheat Exporting and Importing Countries, including draft of a new wheat agreement (Confidential).
472. Submission by Mr. Andrew Cairns.
473. Memorandum and articles of association of the Liverpool Corn Trade Association Limited, with amendments.
474. By-laws of the Liverpool Corn Trade Association Limited, 1929, with amendments.
475. Contract and by-laws governing wheat (Liverpool grade), the Liverpool Corn Trade Association, Limited.
476. Resolutions in reference to the grading of wheat on future delivery contracts, the Liverpool Corn Trade Association, Limited.
477. Form of American parcel contract, c.i.f. terms, Liverpool Corn Trade Association, Limited.
478. Market Report of W. S. Williamson & Company, dated July 7, 1937.
479. Submission by Mr. H. R. Poussette.
480. Submission of M. Jean Goldschmidt, as presented by M. Alfred Goldschmidt.
481. Pamphlet, "Variations in the Price of French Wheat, 1900-1937".



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482. Memorandum *re* law enacted August 15, 1936 by Government of France.
483. Memorandum *re* wheat legislation in France.
484. Memorandum *re* wheat regulation in France.
485. Memorandum *re* bread wheat prospects in France.
486. Submission in French of Mr. Pierre Jardon, with translation.
487. Submission by Mr. J. C. Macgillivray *re* wheat and flour situation in Germany.
488. Address before the Congress of the International Chamber of Commerce, Washington, May 6, 1931, by Eugene Van Rompa.
489. Statement showing wheat production in Belgium, and imports.
490. Memorandum *re* wheat and flour trade regulations in Belgium.
491. Memorandum *re* effect on sales of Canadian wheat of clearing agreements in force between Belgium and certain wheat producing countries.
492. Submission of Weil, Hermanos & Co., entitled "Reply to points raised in memorandum No. 4, of the Canadian Royal Grain Inquiry Commission", prepared by Messrs. Darnbacher and Fliegenheimer.
493. Regulations and Arbitration Rules of the Rotterdam Wheat Futures Market, with amendments.
494. Regulations and Arbitration Rules of the Rotterdam Maize Futures Market, with amendments.
495. Descriptive documents *re* port of Antwerp.
496. Statement *re* wheat and flour situation in the Netherlands, prepared by Mr. James Langley.
497. Book entitled "The Exchanges of London" by W. S. Dowling.
498. Book entitled "The Baltic Exchange" by J. A. Findlay.
499. Addendum to Memorandum No. 2, submitted by Andrew Cairns.
500. Supplementary statement by C. F. Wilson, showing tariff charges on wheat in various European countries.
501. "The Agricultural Register, 1936-37"; Oxford University Press.
502. Letter dated August 6, 1937, from Yves Lamontagne, Canadian Government Trade Commissioner, Brussels, to Commission Counsel, with Memorandum of the Roumanian-Belgian Clearing Agreement.
503. Commercial Intelligence Journal, Vol. LIV, No. 1667, of January 11, 1936, containing article "Commercial Policy of Roumania" by Yves Lamontagne.
504. Letter dated August 17, 1937, from James A. Langley, Canadian Government Trade Commissioner, Rotterdam, to the Secretary of the Commission, attaching letter of F. Darnbacher *re* level of wheat prices in Winnipeg and other markets (Vide Ex. 492).
505. Copies of letters of P. Penn (President) and W. C. Bolle (Vice-President) of the Rotterdam Grain Futures Association to James Langley, and reply of the Secretary of the Commission to James Langley.
506. Memorandum "Some Observations on the Grain and Flour Trade of Scotland" by G. B. Johnson, Canadian Government Trade Commissioner, Glasgow.
507. Letter from W. T. L. Percy to the Secretary, dated July 21, 1937, with addendum to his evidence.
508. Copy of letter from the Secretary of the Commission to Mr. George P. Broomhall with the latter's reply and table showing monthly sales made on Liverpool Wheat Futures Market, January, 1929 to July, 1937.
509. Confidential Exhibit—Weekly price list of Scottish Co-operative Wholesale Society Limited, Glasgow, showing list of flour brands.
510. Letter from E. L. Lewis, President, of the Liverpool Corn Trade Association to Mr. Justice Turgeon *re* evidence of Mr. Andrew Cairns, and correspondence of Secretary with Mr. Cairns relating thereto.
511. Letters from Pierre Jardon to the Commission dated August 3 and 9, 1937, enclosing correspondence with Grands Moulins de Paris and Grands Moulins de Corbeil regarding evidence given before the Commission by representatives of these firms.
512. Confidential Exhibit—Letter from the official reporter dated September 14, 1937, enclosing letter dated September 11 from the Canadian Government Trade Commissioner in Rotterdam and revised version of evidence given by C. Van Stolk and W. Verbeek.
513. Letter dated September 3, 1937, from the Canadian Government Trade Commissioner at Milan regarding grain trade conditions in Italy.
514. Letters dated July 9, August 7 and August 13, 1937, exchanged between the Secretary of the Commission and Mr. C. S. Orwin of the University of Oxford, together with a statement of costs of growing wheat on four English farms in 1934 and 1935.

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515. Letters dated September 1 and 11, 1937, from the Canadian Government Trade Commissioner in Rotterdam; and August 20 and 27, 1937, from the Assistant Canadian Government Trade Commissioner in Brussels, together with the Secretary's reply thereto, regarding the per capita consumption of bread in The Netherlands and Belgium respectively.
516. Article by H. L. Brown, Assistant Canadian Government Trade Commissioner in London, dated May 31, 1937, entitled "Foodstuffs in the London Market".
- 517a. Hearing before the Committee on Agriculture, U.S. House of Representatives, on Bill H.R. 8829, *re* Regulation of Grain Exchanges, April, 1934.
- 517b. Hearing before the Committee on Agriculture, U.S. House of Representatives, on Bill H.R. 3009 (Commodity Exchange Act), February, 1935.
- 517c. Hearings before the Committee on Agriculture and Forestry, United States Senate on Bill H.R. 6772 (An Act to Amend the Grain Futures Act), April, 1936.
518. Bill H.R. 8829—An Act to Amend the Grain Futures Act.
519. Rules and Regulations of the Secretary of Agriculture under the Commodity Exchange Act, July, 1937.
520. Reporting Forms of the Commodity Exchange Administration, Nos. 200, 201, 202, 203, and 204.
521. Circular No. 323, United States Department of Agriculture, "Trading in Privileges on the Chicago Board of Trade" by Paul Mehl.
522. Submission by Mr. Paul Mehl.
523. U.S. Senate Document No. 135, 1926, "Fluctuations in Wheat Futures".
524. U.S. Senate Document No. 264, 1929, "Reports by Members of Grain Futures Exchanges".
525. U.S. Senate Document No. 123, 1930, "Reports by Members of Grain Futures Exchanges, Part II".
526. U.S. Senate Document No. 61, 1933, "Suspension of Reports of Large Speculative Accounts in Grain Futures".
527. Reprint from Journal of Farm Economics, July, 1934, "Trading in Futures and Price Fluctuations" by Paul Mehl.
528. U.S. Department of Agriculture Bulletin No. 1479, March, 1927, "Speculative Transactions in the 1926 May Wheat Future" by J. W. T. Duvel and G. Wright Hoffman.
529. Statement showing relationship between daily price range and net price change, opening to close, of the dominant wheat future and the daily volume of trading in wheat futures on the Chicago Board of Trade; compiled by Paul Mehl, 1935.
530. Statement showing annual volume of trading in Chicago wheat futures in relation to supplies of wheat, by crop years 1922-23 to 1933-34, by Paul Mehl, 1935.
531. Statement showing trading in job lots and round lots in wheat and corn futures at Chicago, by Paul Mehl, 1936.
532. Chart showing Chicago wheat futures held by two large speculative groups, June 14 to July 31, 1933.
533. Chart showing daily net position in all Chicago wheat futures of each of five large speculators from May 27 through July 27, 1933.
534. United States Department of Agriculture, Commodity Exchange Administration bulletin entitled "A Primer of Trading in Commodity Futures".
535. Reprint from the Illinois Law Review, Volume XXXII, No. 2, June, 1937, "Legal Status of Trading in Futures" by H. S. Irwin.
536. Pamphlet, "Risk Assumption in Trading on Exchanges" by H. S. Irwin.
537. Reprint from the Journal of Political Economy, No. 1, February, 1935, "Seasonal Cycles in Aggregates of Wheat Futures Contracts" by H. S. Irwin.
538. Pamphlet, "Seasonal Tendencies in Wheat Futures Prices, 1936" by H. S. Irwin.
539. Pamphlet, "Impressions Concerning Country Trading in Grain Futures", April, 1936, by H. S. Irwin.
540. Graphic illustration of distribution of Iowa traders who held wheat futures only, on the Chicago Board of Trade, September 29, 1934.
541. Graphic illustration of distribution of wheat futures of Iowa traders in round and job lots, September 29, 1934.
542. Graph showing various functions of Commodity Exchange Administration.

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543. List of all commodity futures markets designated as such by Commodity Exchange Administration, including date of designation and commodities in which future trading is conducted.
544. List of commodities in which futures trading is conducted in the U.S., including year in which trading began, and markets.
545. Address by J. M. Mehl on governmental regulation of the commodity exchanges; 1935.
546. Address by J. M. Mehl on "The Commodity Exchange Act as it Affects the Grain Trade".
547. Address by J. M. Mehl on "Administration of Commodity Exchange Act".
548. Address by J. M. Mehl on "Objectives of Federal Regulation of the Commodity Exchanges".
549. Address by J. M. Mehl, "The Co-operative Elevator's Interest in the Commodity Exchange Act".
550. U.S. Department of Agriculture Statistical Bulletin No. 54, "Wheat Futures, Volume of Trading, Open Commitments and Prices, from January 3, 1933 to December 31, 1935".
551. Bill H.R. 7577, June 18, 1937 (U.S.). A Bill to provide an adequate and balanced flow of the major agricultural commodities in inter-state and foreign commerce, and for other purposes.
552. Memorandum presented to the Royal Grain Inquiry Commission by the Manitoba Co-operative Conference.
553. Memorandum of the United Farmers of Manitoba.
554. Presentation of Canadian Seed Growers' Association.
555. Circular No. 12 of the Canadian Seed Growers' Association, "Regulations and other Information Governing the Production of Elite Stock of Self-fertilizing Crop Plants".
556. Circular No. 6 of the Canadian Seed Growers' Association, "Rules and Regulations Governing the Production of Registered Seed of Self-fertilizing Grain Crops".
557. By-laws of Canadian Seed Growers' Association, revised June 17, 1931.
558. The Seeds Act, 1936, with amendments and regulations.
559. Circular No. 15 of the Canadian Seed Growers' Association, "Varieties of Crops Accepted for Registration".
560. Annual Report of the Canadian Seed Growers' Association, 1930-31.
561. Circular No. 16 of the Canadian Seed Growers' Association, "Forage Crop Regulations".
- 562a. Canada Grain Act, 1930.
- 562b. Amendments to, 1934.
563. Circular No. 63 of Board of Grain Commissioners *re* grading of Garnet Wheat.
564. Circular No. 65 of Board of Grain Commissioners *re* grading of Barley.
565. Circular No. 66 of Board of Grain Commissioners *re* grading of Red Spring Wheats.
566. Circular No. 71 of the Board of Grain Commissioners *re* Grain Standards, 1935, Commercial Grades.
567. Annual Report of the Canadian Seed Growers' Association, 1935-36.
568. Report of the Minister of Agriculture, Canada, for the year ending March 31, 1922.
569. Report of the Minister of Agriculture, Canada, for the year ending March 31, 1923.
570. Statement showing amount and value of cereal crop seed used in Canada, 1936 and 1937.
571. Report on sale of Winnipeg May wheat futures by the Canadian Wheat Board, December 13 to 19, 1935.
572. Copy of letter of March 13, 1937 from Assistant Commission Counsel to all Exporters and Millers who purchased futures from the Canadian Wheat Board.
573. Copy of letter of January 4, 1937 from Assistant Commission Counsel to all members, Winnipeg Grain and Produce Exchange Clearing Association, together with schedule as to trades, December 13, 1935.
574. Copy of letter of February 22, 1937 from the Assistant Commission Counsel to all members, Winnipeg Grain and Produce Exchange Clearing Association, together with schedule as to change in position, December 12 and 13, 1935.

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575. Copy of letter of June 19, 1937 from Price, Waterhouse and Company to clearing members of Winnipeg Grain and Produce Exchange Clearing Association with schedule of return as to position, purchases and sales of clients on December 12 and 13, 1935.
576. Report of Glendinning, Gray and Roberts, C.A. to the Canadian Wheat Board regarding the transactions related to the May wheat cleared by the Canadian Wheat Board at 87½c. on December 13, 1935.
577. Summary of report by Glendinning, Gray and Roberts, C.A., dated March 6, 1936 (Exhibit 576).
578. Statement showing comparison of figures of Glendinning, Gray and Roberts and Price, Waterhouse and Company on export sales of wheat and flour on December 13, 1935.
579. Submission by Dr. F. Hedley Auld.
580. Tabulated statement of the wheat crop of Saskatchewan by districts, 1916 to 1936.
581. Series of crop maps of Saskatchewan, 1918 to 1937 inclusive, showing approximate average wheat yields by municipalities.
582. Series of crop maps of Saskatchewan, 1907 to 1917 inclusive, showing approximate average wheat yields, by crop districts.
583. Map showing Saskatchewan relief area, 1929 to 1936 inclusive, showing areas in which relief of all kinds was extended.
584. Map showing Saskatchewan prospective relief area, September 21, 1937. Official Drought Area, 1937.
585. Statement showing seed and relief grain purchased by Saskatchewan Government by relief periods, seasons 1931-32 to 1936-37 inclusive.
586. Act of 1934-35 (Chapter 33). An Act to enable municipalities to borrow money for distribution of seed grain and supplies, with amendments of 1936 (Chapter 44) and 1937 (Chapter 33). Saskatchewan.
587. Act of 1937 (Chapter 36) respecting the granting of relief and agricultural aid in municipalities. Saskatchewan.
588. Act of 1937 (No. 13) respecting advances to purchase seed grain and other supplies, Province of Saskatchewan.
- 589a. Act of 1937 (Chapter 92). An Act respecting debt adjustment in the drought and other areas of the province of Saskatchewan.
- 589b. Act of 1936 (Chapter 83). An Act respecting advances to purchase seed grain, Province of Saskatchewan.
590. Map of Municipalities 38, 39, 40, 68, 69, 70 and 71 southwest of Weyburn, showing land classification, based on suitability for wheat production.
591. Statement showing Canadian Co-operative Wheat Producers Limited daily financial position together with daily purchases and sales of wheat, oats and barley futures. Purchasing agency, seed and feed relief, from September 22, 1931 to August 19, 1932.
592. Statement showing Canadian Co-operative Wheat Producers Limited daily financial position together with daily purchases and sales of oats futures. Purchasing Agency seed and feed relief from February 15 to June 23, 1933.
593. Statement showing Canadian Co-operative Wheat Producers Limited daily financial position together with daily purchases and sales, oats and barley futures. Purchasing Agency, seed and feed relief from August 16, 1933 to July 20, 1934.
594. Statement showing Canadian Co-operative Wheat Producers Limited daily financial position together with cash grain and futures operations. Wheat and oats division, Department of Agriculture, Saskatchewan Government, from November 6, 1934 to April 21, 1937.
595. Statement showing Canadian Co-operative Wheat Producers Limited daily position, cash grain and futures, oats division, Saskatchewan Government account, season 1930-31 Pool and Clearing House, for months of May, June and July, 1935.
596. Statement showing Saskatchewan Government oats account carried by Canadian Co-operative Wheat Producers Limited, period 1934 to 1937.
597. Statement showing Canadian Co-operative Wheat Producers Limited oats division, 1930 crop. Summary of transactions from November 1, 1934 to November 27, 1935.
598. Statement showing daily futures transactions, oats division—Canadian Co-operative Wheat Producers Limited.
599. Submission by Mr. Joseph E. Grierson.

Exhibit  
No.

600. "A study of the Fluctuations which have occurred in the Price of Wheat on the Liverpool and Winnipeg Markets from 1929 to September, 1937 and Some Observations upon the Various Factors Which Tend to Influence and to Govern Wheat Prices" by Major H. G. L. Strange.
601. Submission by Mr. Wilfrid Metcalfe.
602. Submission by Mr. James A. Morton.
603. Submission by Mr. William R. Doyle.
604. Submission by Mr. James Arthur Ross.
605. Chart showing five centuries of wheat prices, 1400 to date.
606. Copy of letter dated October 1, 1937, from Mr. J. B. Rutherford of the Dominion Bureau of Statistics to Major H. G. L. Strange, with tables showing cash income per farm and total cash income from the sale of principal farm products, calendar years 1926 to 1936, Manitoba, Saskatchewan and Alberta.
607. Submission by the Board of Grain Commissioners for Canada *re* John Glossop.
608. Copy of a letter dated September 16, 1929 to the Board of Grain Commissioners from R. Newton, Secretary of the Associate Committee on Grain Research, *re* drying of grain.
609. Circular No. 4 of the Board of Grain Commissioners to all licensees, public and semi-public terminal elevators *re* mixture of tough grain with straight grades.
610. Copy of Regulation No. 8, 1930, of the Board of Grain Commissioners *re* inspection and grading of grain after treatment.
611. Copy of Regulation No. 44, 1935, of the Board of Grain Commissioners *re* drying of grain.
612. Copy of Regulation No. 1, 1930, of the Board of Grain Commissioners *re* registration and cancellation of terminal elevator warehouse receipts.
613. Copy of Board of Grain Commissioners' original documents of annual audit of McCabe Grain Company's elevator (Bin No. 112) at Port Arthur.
614. Statement by Board of Grain Commissioners of handlings of wheat at Fort William-Port Arthur terminal elevators, showing comparative shortages and overages in mixing and non-mixing grades.
615. Submission by Mr. F. A. Sirett.
616. Map of Manitoba showing territory covered by Mr. Vincent Poloway's survey.
617. Statement showing summary of original purchases and sales of wheat options for customers' accounts, Saskatchewan Pool Elevators, 1931-32 to 1936-37, inclusive.
618. Statement showing analysis of customers' option accounts, August 1, 1931 to July 31, 1937, Saskatchewan Pool Elevators.
619. Chart showing Winnipeg and Liverpool spreads, June and July, 1933, also amounts bought for and sold by the stabilization agency. Statement showing prices of Liverpool futures and No. 1 Northern cash Winnipeg in store Fort William for June and July, 1933.
620. Wheat Studies, Vol. VII, No. 8, July, 1931, containing article "Financial Results of the Speculative Holding of Wheat".
621. Submission by the Board of Grain Commissioners for Canada to the Royal Grain Inquiry Commission *re* "Grading by Protein".
622. Copies of correspondence between the Board of Grain Commissioners and the National Research Council, Ottawa.
623. Submission by Dr. W. F. Geddes "The Quality of Western Canadian Hard Red Spring Wheat in Relation to Grading and Marketing, with Particular Reference to Protein Content".
624. Copy of Saskatchewan Sessional Paper No. 72, 1937 Session, containing copies of correspondence between the Federal and Provincial Governments *re* the purchase, sale and holding of grain options.
625. Copies of correspondence between Mr. John I. McFarland and Counsel or Secretary of the Commission.
626. Copy of letter from Dr. F. Hedley Auld to Mr. John I. McFarland, dated November 8, 1934.
627. Letter from Mr. John I. McFarland to Dr. F. Hedley Auld, dated November 6, 1934.
628. Letter from Mr. George H. McIvor to Dr. F. Hedley Auld, dated November 6, 1934.
629. Copy of a letter from Dr. F. Hedley Auld to Mr. John I. McFarland, dated November 8, 1935.

## Exhibit

- No.
630. Letter from Mr. John I. McFarland to Dr. F. Hedley Auld, dated November 9, 1935.
  631. Copy of telegram from Hon. J. G. Gardiner to Rt. Hon. R. B. Bennett, dated November 12, 1934.
  632. Copy of telegram from Hon. J. G. Gardiner to Rt. Hon. R. B. Bennett, dated November 14, 1934.
  633. Copy of letter from Rt. Hon. R. B. Bennett to Hon. J. G. Gardiner, dated November 20, 1934.
  634. Copy of letter from Hon. J. G. Taggart to Mr. W. C. Folliott, dated July 9, 1935.
  635. Letter from Mr. Geo. H. McIvor to Hon. J. G. Taggart, dated July 18, 1935.
  636. Copy of letter from Hon. J. G. Taggart to Mr. John I. McFarland, dated November 14, 1935.
  637. Copy of P.C. 975 of April 12, 1935.
  638. Photostat copies of ledger accounts of Saskatchewan Government in wheat and oat options with Canadian Co-operative Wheat Producers, Ltd.
  639. Statement showing Trading Account, 1934-35 season, Saskatchewan Government.
  640. Letter from Mr. W. M. Aitken, Chief Accountant, Canadian Co-operative Wheat Producers, to Dr. F. Hedley Auld, dated June 1, 1935.
  641. Copy of letter from Dr. F. Hedley Auld to Messrs. Price, Waterhouse and Company, dated June 4, 1935.
  642. Copy of telegram from Dr. F. Hedley Auld to Messrs. Price, Waterhouse and Company, dated June 10, 1935.
  643. Letter from Mr. W. M. Aitken to Dr. F. Hedley Auld, dated June 29, 1935.
  644. Copy of letter from Dr. F. Hedley Auld to Messrs. Price, Waterhouse and Company, dated July 3, 1935.
  645. Letter from Mr. W. M. Aitken to Dr. F. Hedley Auld, dated July 27, 1935.
  646. Letter from Dr. F. Hedley Auld to Messrs. Price, Waterhouse and Company, dated July 29, 1935.
  647. Option confirmations, 1934-35, Government of Saskatchewan and Canadian Co-operative Wheat Producers Ltd. (in possession of Mr. John R. Bunn, Regina; to be produced on request).
  648. Purchase and sale accounts, 1934-35, Government of Saskatchewan and Canadian Co-operative Wheat Producers Ltd. (in possession of Mr. John R. Bunn, Regina; to be produced on request).
  649. Summary of daily purchases of cash oats, 1934-35, from confirmations.
  650. Statement showing oats quotations on the Winnipeg Grain Exchange, July 2 to 31, 1935.
  651. Statement showing closing and average prices, oats, June and July, 1936.
  652. Memoranda showing transactions since the year 1930, pertaining to the handling of grain for relief and seeding purposes in the province of Manitoba.
  653. Bulletin No. 13, National Research Council, "Interim Report on Protein Content as a Factor in Grading Wheat", 1929.
  654. Bulletin No. 14, National Research Council, "Report on Inquiry in Europe Regarding the Feasibility of Using Protein Content as a Factor in Grading and Marketing Canadian Wheat", 1930.
  655. U.S. Department of Agriculture Miscellaneous Bulletin, No. 140, "Protein Tests for Wheat and Oil Tests for Flaxseed and Soy Beans", February, 1932.
  656. Winnipeg Grain and Produce Exchange Clearing Association Member's Card for Pit-trading.
  657. Winnipeg Grain and Produce Exchange Clearing Association Bought, Sold and Closing Sheets for all Wheat Futures and Cash Closing Sheet.
  658. Winnipeg Grain and Produce Exchange Clearing Association Bought, Sold and Closing Sheets for Coarse Grain Futures.
  659. Winnipeg Grain and Produce Exchange Clearing Association Daily Trade and Charge Sheets.
  660. Winnipeg Grain and Produce Exchange Clearing Association Daily Balance Sheets Showing Net Position and Debit or Credit of Clearing Members.
  661. Winnipeg Grain and Produce Exchange Clearing Association Delivery Notice, All Grains.
  662. Memorandum by Dr. Sanford W. Evans re Evidence of Mr. Paul F. Bredt.
  663. Chart showing Winnipeg and Liverpool October Futures, July 1 to October 31, 1934.
  664. Memorandum of Dr. Sanford W. Evans re prices in 76 market days of 1929.
  665. Chart showing Winnipeg and Liverpool prices and weekly shipments in July, August and September, 1929.

Exhibit  
No.

666. Charts showing (a) Winnipeg cash and Liverpool futures prices, 1936-37, and (b) Winnipeg and Liverpool prices, 1935-36.
667. Resolution passed by meeting of farmers in Agricultural Hall, Waterhole, Alberta, Friday, October 22, 1937.
668. Tabulation of Tests for Protein Content 1°, 2°, 3°, wheat of Peace River District compared with Winnipeg average. (1937 crop.)
669. Copy of telegram from Mr. E. V. Bergin, President, Clairmont, Alberta, Board of Trade to Mr. E. B. Ramsay, Board of Grain Commissioners.
670. Report of the Chief Chemist to the Board of Grain Commissioners re the milling and baking quality of several 1937 crop Peace River wheats.
671. Submission by Mr. George E. Cathcart re options.
672. Submission by Professor Frank A. Knox.
673. Submission by Montreal Corn Exchange Association.
674. Copy of article in Financial Times of October 15, and additional comments by Dr. J. Ernest Lattimer.
675. Submission by Dr. Alonzo E. Taylor entitled "The Wheat Trade Problem of Canada".
676. Wheat Studies of the Food Research Institute, Vol. VII, No. 4, February, 1931, containing article "Speculation, Short Selling and the Price of Wheat" by A. E. Taylor.
677. Copy of article in Journal of the Farmers' Club entitled "The Stabilization of Wheat Prices" by E. F. Wise, C.B., M.P.
678. Report of the British Royal Commission on Food Prices, 1925, with minutes of evidence and appendices.
679. U.S. Department of Agriculture Technical Bulletin No. 535, 1936, "Wheat Requirements in Europe" by J. H. Shollenberger.
680. Book entitled "Future Trading Upon Organized Commodity Markets" by G. Wright Hoffmar.
681. Form of reporting information required as at close of business, June 14, 1935, by members of Winnipeg Grain Exchange.
682. Questionnaire re wheat position of members of Winnipeg Grain Exchange on October 1, 1934.
683. Extension of statement re October 1, 1934, questionnaire (Vide Ex. 632).
684. Form of reporting information required at close of business, December 2, 1935, by members of Winnipeg Grain Exchange.
685. Submission by Mr. George S. Mathieson.
686. Pamphlet, "Corn in Industry".
687. Proceedings of the Second Dearborn Conference of Agriculture, Industry and Science, May 12, 13, and 14, 1936.
688. Pamphlet No. 1, of the North-West Grain Dealers' Association, "Farmers of Western Canada in Account with Farm Weeds".
689. Presentation No. 2 of United Grain Growers Ltd. to the Royal Grain Inquiry Commission, "Proposals for Enlarging the Market for Canadian Wheat".
690. Outline of suggestion for the establishment of a Canadian Wheat Institute, for the purpose of enlarging the market for Canadian wheat, and promoting its sale.
691. Proposals for the establishment of the Canadian Wheat Institute as a national body to conduct work in the interests of Canadian wheat.
692. The Country Guide, August, 1934, containing article, "The Canadian Wheat Institute" by Henry L. Griffin.
693. "Proposals for Enlarging the Market for Canadian Wheat" presented by United Grain Growers, Limited, to the Commission.
694. Memorandum on the Canadian Wheat Trade, prepared by United Grain Growers, Ltd., for the information of the Committees appointed by the Government of Canada in connection with the Imperial Conference, 1932.
695. Charts and tables showing daily closing barley prices, November 16, 1936 to January 15, 1937 and daily closing rye prices, June 15 to August 14, 1937.
696. Letter from Mr. J. Todd to the Commission re barley and Durum prices and letter from Mr. E. B. Ramsay to the Commission re Mr. Todd's letter.
697. U.S. Department of Agriculture file of notices to the Press re Hearings by the Commodity Exchange Administration.
698. Submission by Mr. A. E. Darby re regulation of futures markets.
699. Wheat statistics re storage capacity, receipts, deliveries and production.
700. Letter from Hon. E. N. Rhodes to Hon. J. G. Gardiner, dated November 2, 1934.

Exhibit  
No.

701. Copy of P.C. 3937, of December 23, 1935.
702. Copy of P.C. 784, of March 31, 1936.
703. Commercial Intelligence Journal, Vol. LVI, No. 1718, of January 2, 1937.
704. Rules and Regulations of the Chicago Board of Trade.
705. Charter By-Laws and Permanent Resolutions of Board of Trade Clearing Corporation.
706. Interpretations of Rules by the Directors and Standing Committees, Chicago Board of Trade.
707. "Review of the Canadian Flax Situation" submitted by Mr. Liersch, Secretary-Treasurer of the Canadian Flax Association.
708. Further Submission by J. E. Grierson, Winnipeg.
709. Digest of Article by Professor Holbrook Working on "Financial Results of the Speculative Holding of Wheat."
710. Chart of wheat prices for five centuries, submitted by Major H. G. L. Strange.
711. The Canadian Journal of Economics and Political Science, Vol. III, No. 4, November, 1937, containing article "The Rehabilitation of the Prairie Wheat Economy" by G. E. Britnell.
712. Report of the Chief of the Commodity Exchange Administration, 1937.
713. Submission by Mr. Leslie D. Wilgress. (Confidential Exhibit.)
714. Copy of letter of September 24 from the Commission Secretary to Mr. Leslie D. Wilgress.
715. League of Nations Publication "Considerations on the Present Evolution of Agricultural Protectionism".



## APPENDIX III (a)

MONTHLY AVERAGE CASH CLOSING PRICES OF WINNIPEG NO. 1 NORTHERN WHEAT\* (BASIS FORT WILLIAM-FORT ARTHUR) AND CHICAGO NO. 2 RED WINTER WHEAT AND LIVERPOOL PRICES OF IMPORTED RED WHEAT

(Cents per Bushel)

Year	August	Septem-ber	October	Novem-ber	Decem-ber	January	February	March	April	May	June	July
1890-91.....	100 105	100 104	90 104	80 103	75 103	80 112	84 112	89 119	94 124	94 125	99 119	100 114
1891-92.....	100 123	100 119	94 120	92 126	91 123	87 116	82 114	84.5 114	84.5 109	84 102	79.2 104	81.2 102
1892-93.....	84 91	77 86	74 88	71 86	73 83	71 85	71 85	69 81	74 81	84 84	79 82	78 82
1893-94.....	78 79	74 80	69 78	68 76	65 78	63 70	64 74	65 71	68 70	64 67	62 64	63 65
1894-95.....	61.5 61	57 61	54 60	55.5 67	58 73	69 67	66 64	70 68	70 73	72 81	105 82	105 77
1895-96.....	79	60 72	61 74	57 75	55 75	55.5 80	64.5 83	65.5 80	66 80	64 81	61 79	59 76
1896-97.....	65 75	60 81	68.5 95	76 99	81.2 90	81 90	71 91	73 89	68 86	70 86	69 83	72 90
1897-98.....	80 110	87 115	85 110	95 109	92 109	92 108	92 118	100 114	98 128	128 157	122 128	108 96
1898-99.....	93 89	80 84	69 88	72 80	69 87	77 86	75 83	69 79	69 81	71 86	74 87	75 82
1899-1900.....	68.5 72	68 71	70 72	69 69	65.2 65	64.5 69	65.5 69	66.7 75	67.5 70	67.7 70	69 75	84 77
1900-01.....	80.2 77	84 76	88.5 76	81 77	76 74	80.5 74	83 75	84 75	81 75	79 86	79 84	68 82
1901-02.....	69.6 71	69.5 70	67.7 72	70 75	71 82	72 85	73 83	72.5 82	72.5 82	77.2 92	75 81	76 73
	83	81	85	84	90	90	89	89	90	92	89	91

APPENDIX III (a)—Continued  
 MONTHLY AVERAGE CASH CLOSING PRICES OF WINNIPEG No. 1 NORTHERN WHEAT\* (BASIS FORT WILLIAM-PORT ARTHUR) AND  
 CHICAGO No. 2 RED WINTER WHEAT AND LIVERPOOL PRICES OF IMPORTED RED WHEAT  
 (Cents per Bushel)

Year	August	Septem-ber	October	Novem-ber	Decem-ber	January	February	March	April	May	June	July
1902-03.....	75-7 71 91	60 81 86	68-5 82 85	72 76 85	71-5 75 88	70 75 90	73-7 76 91	73-7 74 90	73-7 78 89	77-2 78 90	78-7 80 91	83-2 78 89
1903-04.....	87-7 82 91	84-5 82 90	81-7 82 89	81-5 84 88	79 88 88	81-7 94 80	83-5 104 90	94-2 105 95	93-7 105 95	84-5 107 92	86-5 105 89	86-7 97 89
1904-05.....	96-3 101 90	103 110	100-5 119	97-3 116	91-5	98 120	101-2	97 115 101	92 107 99	88-2 92 97	93 104	105-5 90
1905-06.....	101 85 94	78-5 85 94	77-6 88 96	77-9 87 97	75-6 96	76 88 103	75-5 84 103	74-5 82 104	77 87 99	80 89 95	81-6 86 95	79-9 78 96
1906-07.....	75-5 73 92	72-8 72 91	75-8 74 91	75-3 74 90	73 74 90	72-9 74 89	74-6 76 92	74-8 82 92	77 79 92	86-3 93 98	88 95 104	92-3 92 104
1907-08.....	91-7 87 108	101-6 97 111	109-3 101 114	99-9 95 112	103-3 99 113	108-8 101 116	106-7 94 107	108-8 104	101-1 95 111	112-2 103 109	105 103 108	103-8 92 106
1908-09.....	105-8 96 108	100-8 100 111	98-5 101 112	101-1 105 115	98-6 105 116	99-3 107 116	106-3 120 121	110-3 122 123	119-8 133 132	124-5 148 138	130-8 160 134	127-8 116 137
1909-10.....	107 104 130	97-8 107 110	96-9 120 115	97-7 118 121	98-8 125 121	103-3 107 124	102-5 126 123	103-9 121	102 111 118	94-2 111 110	94-5 101 104	109 107 108
1910-11.....	107-4 102 115	101-9 96 112	95-9 96 108	91-8 93 104	90-3 94 104	93-8 98 107	90-5 96 107	89-7 90	90-0 90	94-8 96 103	97-2 91 104	96-2 85 104
1911-12.....	98-8 90 104	100-3 93 107	100-6 100 108	97-5 96 105	93-5 97 107	95-4 97 111	97 101 115	98-6 101 120	102-4 109 123	104-2 118 123	106-7 110 122	106-7 105 124

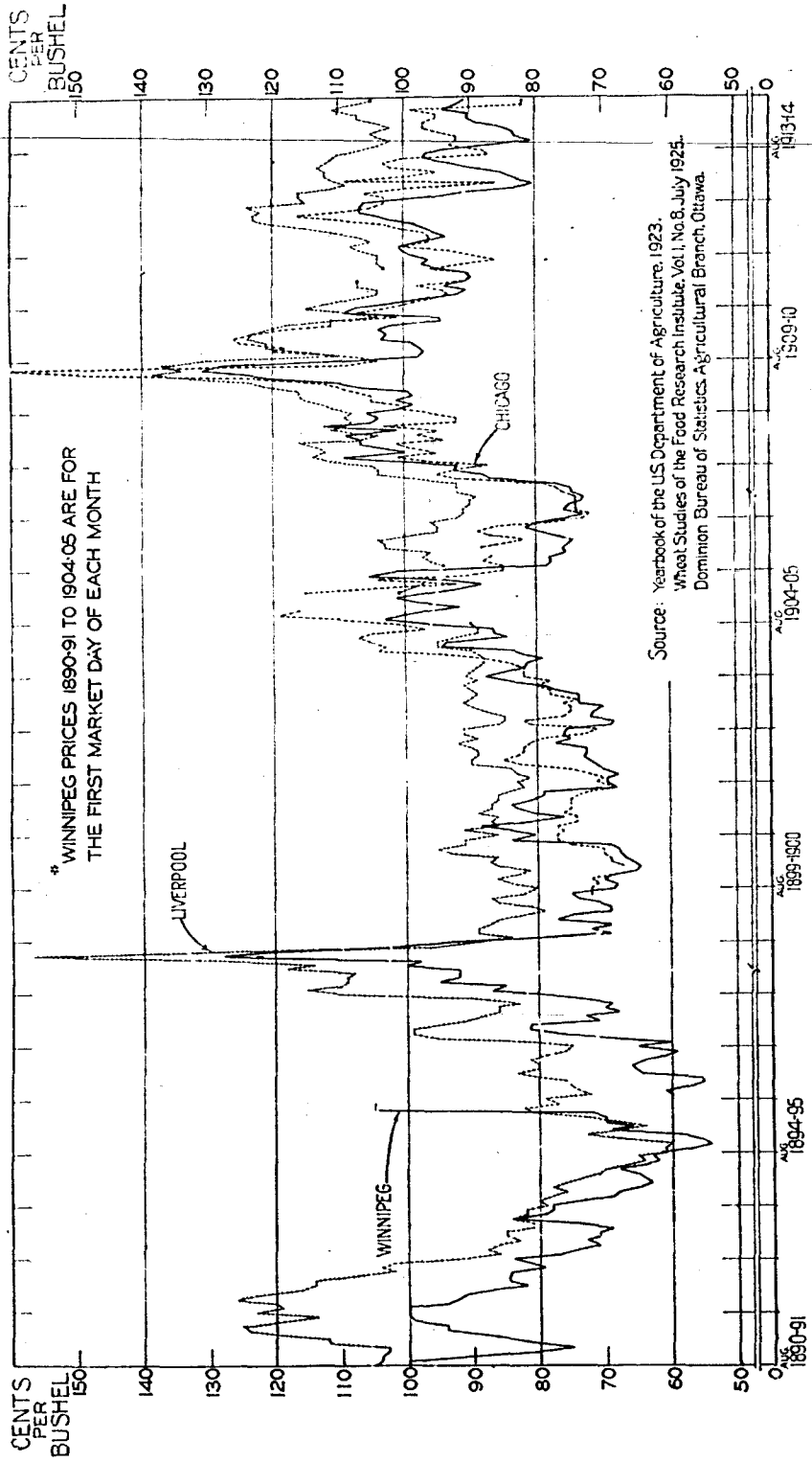
APPENDIX III (a) — *Concluded*  
 MONTHLY AVERAGE CASH CLOSING PRICES OF WINNIPEG No. 1 NORTHERN WHEAT\* (BASIS FORT WILLIAM-PORT ARTHUR) AND  
 CHICAGO No. 2 RED WINTER WHEAT AND LIVERPOOL PRICES OF IMPORTED RED WHEAT  
 (Cents per Bushel)

Year	August	Septem-ber	October	Novem-ber	Decem-ber	January	February	March	April	May	June	July
1912-13.....	Winnipeg.....	95-4	90-4	83-3	80-4	82-5	84-1	83-4	90-4	93-2	97-1	96-7
	Chicago.....	106-1	103	99	86	109	99	95	102	103	100	87
	Liverpool.....	116	116	111	109	111	112	112	113	112	111	110
1913-14.....	Winnipeg.....	86-2	80-5	83-1	83-4	85-4	89	90-2	90-1	94	92-3	91
	Chicago.....	94-3	83	92	94	97	97	95	95	99	82	82
	Liverpool.....	107	104	104	106	102	104	107	107	111	109	106

\*Winnipeg prices 1890-91 to 1904-05 are for the first market day of each month.  
 Source: Yearbook of the U.S. Department of Agriculture, 1923. Wheat Studies of the Food Research Institute, Vol. 1, No. 8, July, 1925. Dominion Bureau of Statistics, Agricultural Branch, Ottawa.

APPENDIX III (b)

MONTHLY AVERAGE CASH CLOSING PRICES OF WINNIPEG NO. 1 NORTHERN WHEAT (BASS FORT WILLIAM - PORT ARTHUR)  
CHICAGO NO. 2 RED WINTER WHEAT AND LIVERPOOL PRICES OF IMPORTED RED WHEAT



Source: Yearbook of the US Department of Agriculture, 1923.  
Wheat Studies of the Food Research Institute, Vol. I, No. 8, July 1925.  
Dominion Bureau of Statistics, Agricultural Branch, Ottawa.

APPENDIX IV  
 AVERAGE MONTHLY PRICES OF CANADIAN AND OTHER WHEATS IN BRITISH AND DOMESTIC MARKETS, AND  
 AVERAGE PRICE SPREAD\*  
 (U.S. cents per bushel)

Month	BRITISH PRICES <i>a</i>			DOMESTIC PRICES <i>b</i>		PRICE SPREAD	
	No. 1 Manitoba	No. 3 Manitoba	Australian <i>c</i>	Winnipeg No. 1 Manitoba	Melbourne	No. 1 Manitoba	Australian <i>d</i>
			Domestic (Gazette)				
August.....	132.4	123.5	125.6 (122.9)	119.6	100.0	16.8	22.0
September.....	126.0	118.2	122.6 (119.8)	105.3	98.5	19.3	21.3
October.....	124.6	117.2	119.8 (118.7)	105.1	96.8	20.7	21.9
November.....	125.2	117.1	119.9 (119.8)	106.6	95.9	21.0	23.9
December.....	128.1	120.2	122.9 (122.3)	106.4	95.3	24.3	26.8
January.....	129.0	121.8	122.4 (121.5)	107.7	95.3	22.9	26.2
February.....	131.3	122.8	121.2 (119.0)	107.4	93.4	21.5	25.6
March.....	128.9	119.8	119.3 (117.6)	107.4	92.4	21.5	25.2
April.....	128.0	119.6	121.3 (119.3)	109.5	94.2	19.1	25.1
May.....	123.1	120.2	123.2 (120.8)	115.8	95.8	17.6	25.0
June.....	125.4	117.3	120.4 (118.8)	110.5	94.3	16.5	24.5
July.....	131.2	122.8	122.2 (120.4)	119.4	96.6	10.4	23.8
August.....	130.1	122.8	123.8 (121.0)	117.7	98.7	17.5	22.3

\*Sixteen-year averages, 1921-22 to 1936-37, except as otherwise noted.

*a* For imported wheats, sellers quotations, c.i.f. parcels on Tuesdays, from Broomhall's Corn Trade News, with missing quotations supplied by estimation (see p. 45); for domestic wheat, weekly averages, from the Agricultural Market Report; conversions at current rates of exchange on cable transfers.

*b* Winnipeg prices from the Canadian Grain Trade Year Book and the Monthly Review of the Wheat Situation. Melbourne prices through July, 1929, furnished by John Darling and Son, Melbourne, later months from Wheat and Grain Review.

*c* Figures in parentheses are 15-year averages, 1922-23 to 1936-37.

*d* Fifteen-year averages 1922-23 to 1936-37.

Source: Wheat Studies of the Food Research Institute, Vol. XIV, No. 2, October, 1937.

**APPENDIX V (a)**  
**SPREADS BETWEEN MONTHLY HIGH AND LOW WHOLESALE PRICES OF FARM PRODUCTS EXPRESSED AS A**  
**PERCENTAGE OF ANNUAL AVERAGE PRICES, 1929-1937**  
 (Per Cent.)

Item	1929	1930	1931	1932	1933	1934	1935	1936	1937
Wheat No. 3 Manitoba Northern (Fort William-Port Arthur basis).....	35.6	84.0	26.7	36.4	67.7	31.5	15.0	50.2	23.4
Steers, good and choice at Toronto.....	25.9	43.8	24.1	37.4	23.7	23.0	25.7	20.8	37.5
Hogs, bacon at Toronto.....	29.2	29.5	71.6	27.5	55.8	20.7	21.5	19.5	26.6
Butter, No. 1 creamery prints at Montreal.....	16.1	31.8	48.2	23.8	27.5	44.0	23.7	24.8	24.3
Cheese, old, large, at Montreal.....	3.6	11.4	33.7	11.7	12.7	13.0	13.3	18.6	13.8
Hay, timothy, No. 2, good No. 2, at Toronto.....	12.2	12.6	19.6	26.6	19.8	44.4	57.3	17.6	18.8
Eggs, Grade A, large, at Toronto.....	78.7	66.8	89.5	99.7	90.4	72.6	80.3	80.2	67.8

Source.—Dominion Bureau of Statistics, Internal Trade Branch, Ottawa.

**APPENDIX V (b)**  
**PERCENTAGE CHANGES IN WHOLESALE PRICE INDEX NUMBERS OF SPECIFIED FARM PRODUCTS DURING**  
**PERIODS OF PRICE ADJUSTMENT**  
 (Per Cent.)

	Decline between	Rise between	Change between	Rise between
Wheat No. 3 Manitoba Northern.....	July, 1929 and Dec., 1932 -75	Dec., 1932 and July, 1933 +109	July, 1933 and May, 1936 -10	May, 1936 and July, 1937 +96
Steers, Toronto.....	June, 1929 and Feb., 1933 -65	Feb., 1933 and June, 1933 +27	June, 1933 and Nov., 1936 +1	Nov., 1936 and Aug., 1937 +75
Hogs, Toronto.....	Feb., 1930 and Jan., 1933 -73	Jan., 1933 and Sept., 1933 +82	Sept., 1933 and Nov., 1936 +11	Nov., 1936 and Aug., 1937 +40
Butter No. 1, Montreal.....	Dec., 1929 and June, 1932 -55	June, 1932 and April, 1933 +43	April, 1933 and May, 1936 -22	May, 1936 and Aug., 1937 +32
Cheese, Montreal.....	Feb., 1930 and May, 1932 -43	Aug., 1932 and Aug., 1933 +20	Aug., 1933 and Sept., 1935 -12	June, 1936 and July, 1937 +26
Hay, Toronto.....	Jan., 1930 and July, 1933 -46	July, 1933 and Dec., 1933 +21	Dec., 1933 and July, 1936 -13	July, 1936 and Dec., 1937 +27
Eggs, Toronto.....	Nov., 1929 and May, 1933 -73	May, 1933 and Nov., 1933 +128	Nov., 1933 and April, 1936 -49	April, 1936 and Nov., 1937 +95

Source.—Dominion Bureau of Statistics, Internal Trade Branch, Ottawa. (N.B.—Grades and qualities are the same as those in previous table.)

## APPENDIX VI

### SEASONAL MOVEMENT OF WHEAT PRICES

#### A. SUMMARY OF OPINIONS AND PREVIOUS STUDIES

The opinion is fairly widely held that wheat prices are lower in the fall months when the farmers are delivering their crop, as a result of the hedging pressure on the futures market. This opinion has been challenged by others and it is therefore pertinent to review the more recent evidence and literature and the actual prices in an attempt to throw some light on the controversy and confusion.

Mr. James A. Richardson, appearing on July 9, 1931, before the Select Standing Committee on Agriculture and Colonization in Ottawa, said:

"But as far as the idea goes that wheat is cheap in October and November and lower in the other months of the year, there is no greater fallacy in the world. . . .

"We have records in the Winnipeg Grain Exchange on the price of wheat every month in the year, and those records will show that our fall prices—when we take into account interest, storage and other charges—that our fall prices are the best in the year, year in and year out."

Mr. Sidney T. Smith, before the same Committee on July 10, was asked by Mr. Myers:

"Take any average year when wheat is offered at an average price, is it not true that at a certain time in the fall of the year when there is a big lot of wheat on hand, that prices drop a little for a while?"

Mr. SMITH: "Well, I think so."

The sole recommendation of this committee concerning wheat was:

*P. 309.*—"In view of the evidence given before the committee, it is recommended that the Government take whatever steps it may deem necessary to prevent a drastic decline in the price paid to producers of wheat especially during the fall months when the bulk of the crop is being marketed."

Messrs. James Stewart and F. W. Riddell in their Report to the Government of Saskatchewan on Wheat Marketing in 1921 said:

*P. 10.*—"The result of selling by either of these two methods is that wheat is daily offered for sale in quantities which reveal a lack of correspondence between actual supply and demand. During the early months of the season, when a large volume of wheat

is offered for sale, there is a natural decline in prices. This system of competitive selling permits of no intelligent regulation of supplies of either the farmers' wheat or that owned by the elevator companies."

The two methods of selling referred to were (1) street or track and (2) consignment.

*Pp. 15-16.*—"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."

*Evidence of Winnipeg Grain Exchange Presented to the Royal Commission to Enquire into Trading in Grain Futures (Exhibit No. 129, Pages 83-87)*

The statement submitted to the Stamp Commission by the Winnipeg Grain Exchange to show the loss or gain by holding No. 1 Northern wheat from September, October, November or December and selling it on the following May 1 covered the 10 pre-war years 1904-05 to 1913-14 and the ten post-war years 1920-21 to 1929-30.

Interest was charged at 7 per cent and elevator charges at  $\frac{1}{30}$  cent per day. The average charges were:

	Pre-war (cents per bushel)	Post-war (cents per bushel)
September to May 1 . . . . .	10.8	13.0
October to May 1 . . . . .	9.3	10.9
November to May 1 . . . . .	7.7	9.1
December to May 1 . . . . .	6.1	7.2

With full allowance for carrying charges, the average net losses per year were as follows:—

	Pre-war (cents per bushel)	Post-war (cents per bushel)
September to May 1 . . . . .	8.39	17.47
October to May 1 . . . . .	5.8	7.59
November to May 1 . . . . .	2.39	4.17
December to May 1 . . . . .	0.72 (gain)	2.14



In all cases, except the pre-war December to May 1 holding, the carrying charges were greater than the advance in prices. With no allowance for carrying charges, the increases in prices were as follows:

	Pre-war (cents per bushel)	Post-war (cents per bushel)
September to May 1 . . . . .	2.4	4.5 (loss)
October to May 1 . . . . .	3.5	3.3
November to May 1 . . . . .	5.3	4.9
December to May 1 . . . . .	6.8	5.1

In all cases, except the post-war September to May 1 holding, there was an advance in prices. In the exception mentioned, there was a decline in prices without consideration of carrying charges.

The pre-war period used may be fairly said to be representative, but not the post-war period, 1920-21 to 1929-30. In this latter period, two years 1920-21 and 1929-30 over-rule all the others, being periods of unusual price decline. In examination, Sir Josiah Stamp raised this question with regard to 1920-21, when the fall in world prices was general and abnormal. (See pages 154-5, "Evidence and Proceedings before the Commission to Inquire into Grain Futures," Exhibit No. 142).

The same applies to 1929-30. The effect of including these two years is that the period chosen underwent a net price decline of \$1.67½ per bushel (from \$2.73½, the average cash price in September, 1920, to \$1.06½ on May 1, 1930) which vitiates any conclusions drawn. If 1920-21 and 1929-30 are excluded, there remains an eight-year period with a net price decline of only 27½ cents from September, 1921, to May 1, 1929, or a net price rise averaging 7½ cents from the other autumn months of 1921 to May 1, 1929. For this period, on the basis adopted in the statement in question, the results would be as follows:

	Allowing for carrying charges (cents per bushel)	Without carrying charges (cents per bushel)
September to May 1 . . . . .	-1.25	+11.11
October to May 1 . . . . .	+4.13	+14.48
November to May 1 . . . . .	+3.36	+12.19
December to May 1 . . . . .	+4.50	+11.53

For that period of eight years, on the basis adopted, there would thus have been a gain from holding wheat until May 1, except in the case of September, if full commercial carrying charges were paid. The gain is of course much greater if carrying charges are not paid, and for farmers holding wheat on their farms, even if allowance is made for the cost of insurance and financing, but without paying the elevator storage charges of 1 cent per bushel per month, the gain would have been substantial.

*"Price Effects of Canadian Wheat Marketing," by Dr. Holbrook Working in Wheat Studies, Vol. XIV, No. 2, October, 1937.*

For his analysis of seasonal price variations, Dr. Working used the sixteen-year period, 1921-22 to 1936-37. The monthly average prices of No. 1 Northern were given in U.S. cents per bushel as follows:

August .....	115.6 (high)
September .....	108.7
October .....	103.9
November .....	104.2
December .....	103.8 (low)
January .....	106.1
February .....	108.1
March .....	107.4
April .....	108.9
May .....	110.5
June .....	108.9
July .....	114.8

The conclusions expressed regarding this series are as follows:

*P. 38.*—"For the postwar years from 1921-22 there appears clearly to have been a tendency for prices of spot wheat in Canada to be at their lowest during two or three months after harvest and then to rise progressively, though somewhat irregularly, to a maximum shortly before the next harvest. Between the three months (October-December) for which prices averaged lowest over sixteen years and the three (June-August) for which they averaged highest, the price difference has been a little over 7 cents. If this difference be supposed representative of a general tendency for such a seasonal variation to recur year after year, there may arise the question whether such a range of variation is excessive. To this no answer is here attempted. Instead there are presented, to contribute perspective for judgments, certain comparable data on seasonal average prices of other wheats."

*P. 38.*—"Toward one extreme stand prices of Australian wheat, with an average seasonal variation less than that of Canadian wheat and an average course very peculiarly related to the timing of the harvest. Toward another extreme stand prices of British domestic wheat, with an average seasonal variation greater than that of Canadian wheat despite the relatively moderate variation in rate of marketing of British wheat, and an average course suggesting that the system under which the wheat is marketed rather imperfectly meets the very modest requirements placed upon it."

*P. 39.*—"Pursuing the inquiry further, we employ in the subsequent sections of the study a still more refined and searching method of analysis. From this there emerge evidences of price effects, that seem legitimately attributable to variations in the rate of farm marketing. The effects are small—indeed, for the most part they are barely within the powers of this refined analysis to detect. Perhaps the results are significant chiefly as a demonstration that for most purposes the price effects of variations in the rate of marketing may be regarded as negligible. The principal effects among those noted seem only indirectly related to the rate of country marketing. The Winnipeg price tends to decline relative to Liverpool early in the marketing season under the pressure of

adjustments necessary to permit a rapid export movement. The occurrence of such price adjustments is perhaps not an indication that the rapid country marketing leads to undue price depression and an excessive rate of export; but rather that the Winnipeg price tends to be somewhat too high at the beginning of the season, and to fall into an appropriate relation to Liverpool only as the requirements of the situation are clarified in the course of meeting them."

Dr. Working points out in the course of his analysis that, during most of the years covered, organizations and measures that had the effect of relieving hedging pressure were operating. These were the Wheat Pools, Stabilization operations and the Canadian Wheat Board. Further Dr. Working had no information on the technical conditions of the Winnipeg futures market where the bulk of the hedging is done.

*"Seasonal Tendencies in Wheat Futures Prices," by H. S. Irwin, United States Department of Agriculture, Grain Futures Administration, January, 1936. (Exhibit No. 538).*

This study relates to the United States and to futures prices and is mainly pertinent in its finding of an "irregular but well-defined tendency toward two cycles per 12 months," but further:

"These cycles are occasioned only indirectly, if at all, by fundamental conditions such as the balance between demand and supply, the rate of marketing and kindred factors. They are governed in the main by what may be termed broadly the 'technical conditions' of the market, including the degree of public participation and the way in which the numerous small traders enter and leave the market."

Dr. Working's study of Canadian prices would have been more satisfactory if he could have secured such technical data on the Winnipeg market.

#### B. SEASONAL MOVEMENT OF WINNIPEG PRICES

This memorandum embodies the results of a study of Winnipeg cash and futures wheat prices over a period of years long enough to permit of drawing conclusions from long-term averages, and from the number of years in which certain trends are apparent. All figures given are monthly averages of daily closing prices, basis No. 1 Northern in store Fort William, whether cash wheat or wheat for delivery in a future month, as the case may be. The examination is directed to the existence and extent of seasonal tendencies. The period in question covers, in general, the fifteen crop years 1922-23 to 1936-37 inclusive, commencing with July, 1922, and carrying on through August, 1937. It is considered that over the period as a whole, non-seasonal influences roughly cancel out. Prices in July and August, 1922, were not greatly different from those in July and August, 1937.

It may be suggested that during this post-war period the futures market at Winnipeg has not functioned freely and unrestrictedly, owing to the operations of the Pool, the stabilization measures conducted by Mr. McFarland, and the Canadian Wheat Board established in 1935. The effect of these three agencies, each in its own time, was undoubtedly to restrict the amount of physical wheat requiring to be hedged in the futures market, and therefore to lessen the so-called selling "pressure" below what it would otherwise have been, and to that extent, it might be argued, seasonal tendencies have been understated, particularly the tendency to lower prices in the autumn than in the summer. Whether such view is correct cannot be decided here. The question depends on the general problem whether mere "hedging pressure," as distinct from the known size of the crop and world conditions generally, has any effect on prices at all. Until the requisite facts as to the time, nature, and specific effect of hedging sales, and of the actual breadth and liquidity of the Winnipeg market and the nature of the activities of those who buy and sell there are available, this problem must be left to rival schools of opinion.

TABLE 1.—AVERAGE PRICES 1922-23 TO 1936-37, BY MONTHS (a)  
(Cents per bushel)

	Cash Wheat 1922-36	October Future (b) 1922-36	December Future (c) 1922-36	May Future 1922-36	July Future 1922-36
July.....	113½	-	107½	-	-
August.....	112	106½	106½	(d)	-
September.....	104½	101½	101½	105½	-
October.....	103½	102½	101½	105½	-
November.....	104½	-	102	105½	105½
December.....	104½	-	104½	106½	106½
	1923-37	1923-37		1923-37	1923-37
January.....	106½	-	-	108½	108½
February.....	107	-	-	109½	109½
March.....	106½	-	-	107	107½
April.....	107	-	-	107½	107½
May.....	109	105½	-	108½	108½
June.....	108½	104½	-	-	107½
July.....	114	109	-	-	113½
August.....	112½	107½	-	-	-
September.....	-	102½	-	-	-
October.....	-	103½	-	-	-

(a) Direct comparison cannot be made between futures and cash wheat prices as shown in the table, as the periods covered are not quite identical—(see notes below). What is shown is the course of each separate price series. The comparison between the various prices is made in the text below.

(b) Average October futures prices are first shown for the autumn months of the full 15-year period 1922-36. The course of prices is then shown during summer and autumn for the period 1923-37, excluding 1935 when trading in the October future did not commence until August 16th; this series commences with May, since the October future was not traded earlier than May in 1923; in the other years the course of the October future prior to May was very similar to that of the July future;

(c) Excluding 1935, in which year there was no trading in the December future until August 16th;

(d) Trading in the May future usually commences in August, but this was not the case in 1935. For the fourteen years 1922-34 and 1936, the average in August was 111, and in September 106½, indicating that the May future is also affected by the autumn slump.

*Cash Wheat Prices*

Considering only cash wheat, for the moment, Table 1 indicates a marked price decline in the period after harvest, that is, in the months of September to December when about 75 per cent of the western wheat crop is delivered to country elevators or put on rail for shipment to terminal elevators, followed by higher prices gradually rising throughout the rest of the year and then falling again when the new crop is harvested. According to Table 1, the year may be divided into four periods, namely, the delivery period when prices are, on the average, very steady and considerably lower than the preceding summer; the four months January to April when internal navigation in the Great Lakes system is closed and prices are somewhat higher than in the autumn, but quite steady throughout the period; May and June, when a further rise is evident; and the summer months July and August when there is a definitely higher level of prices. These are shown in Table 2.

TABLE 2.—CASH WHEAT PRICES, 1922-23 TO 1936-37

	(Cents per bushel)
1922-36 Average July-August . . . . .	112½
1922-36 Average September to December . . . . .	104½
1923-37 Average January to April . . . . .	107
1923-37 Average May to June . . . . .	108½
1923-37 Average July to August . . . . .	113½

Even over a period of fifteen years, a margin of as much as 2 cents cannot be regarded as necessarily significant. For instance, of the rise of 2½ cents in January as compared with December (see Table 1), over half is accounted for by a rise of 23½ cents in one year, 1924-25. Two points of significance do, however, emerge from Tables 1 and 2, namely, the decline in the autumn, and the rise to the following July. Such movements accord with what would be expected, in view of the cost of carrying wheat in storage from the time it is delivered by the producer until it goes into domestic consumption or export. The rise from autumn to the following spring is no greater than such cost, nor in fact is the total rise from autumn to the following July, although the actual period of the major part of such rise, namely, from June to July, according to Table 1, would not of itself justify, on a cost basis, the magnitude of the rise at that time. As discussed below, however, the period from January to July cannot be treated as a whole. The rise during this period is not the same every year in which there is such a rise, but tends to be concentrated either in (or just prior to) May or in July, a fact which is clouded by taking averages for the whole fifteen-year period.

The decline from summer to autumn is likewise in accord with the factor of carrying costs. Cash wheat available in July and August is old crop, and on the long-term average, it would be expected that its price would reflect carrying costs, whereas in the September-December period the price is determined by the new crop before carrying costs have been in-

curred. The average decline in the September-December period as compared with the previous July and August was  $8\frac{1}{4}$  cents (Table 2). This decline occurred in 12 of the 15 years, and in 10 of these years it was followed by rising prices later in the crop year; in the other two it was followed by a further decline. In two years there was a rise in the autumn followed by a further rise; the first occasion was 1924-25 when there was a strong speculative movement reaching its peak in January and February; the other was 1936-37 in which year the autumn came in the middle of a prolonged upward movement. In only one year (1935-36) were autumn prices higher than both the preceding summer and the succeeding spring.

Almost the whole of this autumn decline occurs from August to September, the average amount being  $7\frac{3}{8}$  cents (Table 1). This movement occurred every year in the period except 1935 (September higher than August by  $5\frac{1}{4}$  cents), and 1936 ( $1\frac{3}{8}$  cents).

The rise after December likewise occurred with such frequency as to justify the inference that such a movement represents the normal seasonal trend. The fact of the trend is explained by carrying charges, but the measure of the rise and the time of its occurrence seem to depend in part on other factors, discussed in more detail below in connection with May and July futures. The average in January-April was  $2\frac{3}{8}$  cents higher than in the preceding September-December. Of more significance, this rise took place in eleven of the fifteen years, the exceptions being 1923-24 (in which a substantial rise took place after April), 1929-30 and 1930-31 during the prolonged world price decline, and 1935-36. If comparison be made between September-December and the following May-August the average rise was  $7\frac{1}{4}$  cents; the rise occurred in eleven of the fifteen years, the exceptions being 1927-28, 1929-30, 1930-31 and 1931-32.

#### *Futures Prices*

So far as cash wheat prices considered by themselves were concerned, the two basic movements, and in general their magnitude, could be explained by the influence of carrying costs. Facts and theory correspond. But the exact amount of carrying charges so far as they influence cash prices cannot be measured, and the possibility of other influences still exists. When futures prices are examined, it is apparent that such other influences do contribute to the price movements discussed. Theoretically, a perfectly-functioning futures market should not reveal seasonal movements in long-term average prices. Over a sufficient length of time, the course of any one future should indicate a tendency to be horizontal, lacking any special influence, for cash wheat carrying costs do not affect futures prices in one month more than in another. On examination, however, it appears that Winnipeg futures prices follow much the same general trend as cash prices, though the magnitude of fluctuations is somewhat smaller.

First, the autumn slump occurs in all futures traded during that period. In the fifteen years 1922-36 the decline from August to September was  $7\frac{3}{8}$  cents for cash wheat,  $4\frac{1}{2}$  for the October future, and  $4\frac{1}{4}$  cents for the

December future. Omitting 1935, when trading in the October and December futures did not commence until August 16, the average declines were respectively, for a fourteen-year period,  $8\frac{1}{2}$ ,  $5\frac{1}{2}$  and 5 cents, as well as a decline of  $4\frac{1}{2}$  cents in the May future. This decline occurred every year of the fourteen except 1924 and 1936 in the case of the futures (also 1928, May future only) as compared with every year except 1924 for cash wheat (as well, of course, as the fifteenth year, 1935).

This change from August to September comprised almost the entire autumn decline. Thus, comparing the July-August average with that of September-October for the fourteen years, the declines were: cash wheat  $9\frac{1}{2}$  cents; October future  $5\frac{1}{2}$  cents; December future  $5\frac{1}{2}$  cents. These declines occurred every year except 1924 and 1936 in the case of the futures; for cash wheat the exceptions were 1924, 1931 and 1936.

Further examination discloses, however, that these declines in futures prices really consist of recessions from unduly high prices created by speculative bull movements in the preceding spring or summer. It is not that some active force influences prices down in the autumn, but rather that the active influence of "crop-scare buying," as it is described in studies published by the U.S.D.A. Grain Futures Administration, is removed. This influence usually makes itself felt in the Winnipeg market in July, the exceptions being chiefly years in which a substantial rise occurs in May, usually in sympathy with a similar movement at Chicago, where the condition of the winter wheat crop affects the market about two months earlier than that of the Canadian spring wheat crop. In either case, the recession from the high prices so established usually occurs, at Winnipeg, in September—that is, if the bull movement went too far and actual conditions in the autumn do not justify the prices so established.

The existence of this spring or summer—sometimes both—speculative movement at Chicago is well attested, and it seems that the same phenomenon occurs at Winnipeg. It is significant that the October future, which is related to the new crop, follows the same general trend as the May and July futures.

The fifteen-year trend of the May and July futures and cash wheat may be seen in Table 1. Table 3 recasts these figures into a form better suited for comparing the May and July rises of the three prices:

TABLE 3.—SPRING AND SUMMER PRICE RISE 1922-23 TO 1936-37

	Cash Wheat	May Future	July Future
	(cents per bushel)		
November-December average.....	104½	106½	108½
January-March average.....	106½	108½	108½
April.....	107½	107½	107½
May.....	109½	108½	108½
June.....	108½	-	107½
July.....	114	-	113½

From the average prices over the period as a whole, it would appear that the rise was concentrated in July, being chiefly a rise from June to July, but further analysis reveals that the rise may occur either during (or just prior to) May or in July.

Thus cash prices in July were higher than the average of the previous November-December in nine years (average rise  $23\frac{1}{2}$  cents) and the same was true of the July future (average rise  $21\frac{1}{8}$  cents); and of the other six years, in the case of cash wheat prices had meanwhile been higher in May in four years (average rise  $9\frac{1}{2}$  over November-December) and the price had receded somewhat in July, and went on to fall further by September. The other years were 1929-30 when prices fell drastically throughout the year, and 1931-32, in both of which years cash prices fell from November-December to May, fell further by July, and further still by September. In the case of the July future, out of the six years in which July was lower, three were years in which the price in May was higher than the preceding November-December (average rise  $10\frac{1}{2}$  cents); the three years in which this did not occur were 1929-30, 1930-31 and 1931-32.

The tendency therefore is for a rise in July, but if not, the probability is that there has been a rise previously. The rise in May, of course, also occurs in some of the years when July is also higher than the preceding autumn. The frequency of higher prices in May is obscured by the averages for the whole period, owing chiefly to the large decline in 1929-30. The situation is that cash prices were higher in May in eleven years (average rise  $10\frac{1}{2}$  cents), May future and July future in ten years (average rise  $10\frac{1}{8}$  and  $9\frac{1}{2}$  respectively). In 1929-30 all prices fell—in May cash prices were lower than in November-December by  $27\frac{1}{2}$ , May future by  $34\frac{7}{8}$  and July future by  $34\frac{3}{8}$ . In three other years cash prices were lower, average decline  $5\frac{1}{2}$ ; in four years (besides 1929-30) the May and July futures were lower; their declines averaging  $7\frac{1}{2}$  and  $7\frac{1}{4}$  respectively. In two of these four years (1929 and 1936) the July future advanced sharply in July; in the other two (1931 and 1932) it continued to decline. The October future paralleled the others very closely.

It is apparent, therefore, that in the fifteen-year period there was a definite tendency for futures prices, as well as cash prices, to appreciate significantly after December; that this rise frequently occurs as early as May and may be followed by a further rise in July; and that if the rise has not taken place by May, it will occur in July, unless a major downward movement is taking place.

#### *Summary and Conclusions*

1. There is an autumn decline, in relation to the previous summer, in both cash and futures prices, and a co-related rise which occurs chiefly in the following May or July, and sometimes in both these months.

2. Considered by themselves, cash prices do not indicate variations over the year as a whole greater than would be expected to be caused by mounting carrying charges, although the rise in prices which sometimes



occurs between May and July indicates that other influences are also at work.

3. The course of futures prices, however, gives evidence of a tendency towards at least one and sometimes two periods of pronounced speculative price rises, almost always in May and/or July, and this speculative influence also accounts for a part of the rise in cash prices.

4. The decline in all prices in the autumn appears to be chiefly a recession from previous rises; but in the case of cash prices, at least part of such recession is natural in view of the change from old crop to new crop.

## APPENDIX VII

INDEX NUMBERS OF EXCHANGE RATES, 1929-1933  
(Post-War Gold Parity = 100)

	Argentina		Australia	Canada	Great Britain	United States
	Official	Free Rate				
1929						
January.....	99	-	99	100	100	100
February.....	99	-	99	100	100	100
March.....	99	-	99	99	100	100
April.....	99	-	99	99	100	100
May.....	99	-	99	99	100	100
June.....	99	-	99	99	100	100
July.....	99	-	99	99	100	100
August.....	99	-	99	99	100	100
September.....	99	-	99	99	100	100
October.....	99	-	99	99	100	100
November.....	97	-	99	98	100	100
December.....	96	-	99	99	100	100
Year.....	99	-	99	99	100	100
1930						
January.....	95	-	98	99	100	100
February.....	90	-	98	99	100	100
March.....	89	-	96	100	100	100
April.....	92	-	94	100	100	100
May.....	90	-	94	100	100	100
June.....	88	-	94	100	100	100
July.....	85	-	94	100	100	100
August.....	86	-	94	100	100	100
September.....	85	-	94	100	100	100
October.....	81	-	92	100	100	100
November.....	81	-	92	100	100	100
December.....	78	-	92	100	100	100
Year.....	87	-	94	100	100	100
1931						
January.....	73	-	82	100	100	100
February.....	76	-	77	100	100	100
March.....	81	-	77	100	100	100
April.....	80	-	77	100	100	100
May.....	74	-	77	100	100	100
June.....	73	-	77	100	100	100
July.....	73	-	77	100	100	100
August.....	67	-	77	100	100	100
September.....	64	-	71	96	93	100
October.....	56	-	62	89	80	100
November.....	64	-	59	89	77	100
December.....	62	-	56	83	70	100
Year.....	70	-	72	96	93	100
1932						
January.....	61	-	57	85	70	100
February.....	61	-	57	87	71	100
March.....	61	-	60	90	75	100
April.....	61	-	62	90	77	100
May.....	61	-	60	88	76	100
June.....	61	-	60	87	75	100
July.....	61	-	58	87	73	100
August.....	60	-	57	88	72	100
September.....	60	-	57	90	71	100
October.....	61	-	56	91	70	100
November.....	61	-	54	87	67	100
December.....	61	-	54	87	67	100
Year.....	61	-	57	88	72	100

INDEX NUMBERS OF EXCHANGE RATES, 1929-38—Continued  
(Post-War Gold Parity=100)

	Argentina		Australia	Canada	Great Britain	United States
	Official	Free Rate				
1933						
January.....	61	--	55	88	69	100
February.....	61	--	56	83	70	100
March.....	60	--	56	83	71	100
April.....	60	--	56	81	71	96
May.....	60	--	55	75	69	85
June.....	60	--	56	73	70	82
July.....	60	--	55	68	69	72
August.....	60	--	54	69	68	73
September.....	61	--	52	66	65	68
October.....	60	--	52	66	65	67
November.....	60	--	53	63	66	63
December.....	52	47	54	64	67	64
Year.....	60	--	54	72	68	78
1934						
January.....	50	39	52	63	65	63
February.....	47	39	49	59	61	59
March.....	47	36	49	59	62	59
April.....	48	35	50	59	63	59
May.....	47	33	50	59	62	59
June.....	47	35	49	60	61	59
July.....	47	35	49	60	61	59
August.....	47	38	49	61	62	59
September.....	46	38	48	61	62	59
October.....	46	37	48	60	61	59
November.....	46	36	48	61	61	59
December.....	46	35	48	60	60	59
Year.....	47	36	49	59	61	59
1935						
January.....	46	35	48	59	59	59
February.....	46	36	47	59	59	59
March.....	44	35	46	59	58	59
April.....	45	36	47	59	59	59
May.....	45	36	47	59	59	59
June.....	45	37	48	59	60	59
July.....	46	37	48	59	60	59
August.....	46	37	48	59	60	59
September.....	46	38	48	59	60	59
October.....	46	38	48	58	60	59
November.....	46	38	48	58	60	59
December.....	46	38	48	59	60	59
Year.....	45	37	48	59	60	59
1936						
January.....	46	38	48	59	60	59
February.....	46	38	49	59	61	59
March.....	46	38	48	59	60	59
April.....	46	38	48	59	60	59
May.....	46	38	48	59	60	59
June.....	47	38	49	59	61	59
July.....	47	38	49	59	61	59
August.....	47	39	49	59	61	59
September.....	47	39	49	59	61	59
October.....	46	39	48	59	60	59
November.....	45	39	47	59	59	59
December.....	46	41	48	59	60	59
Year.....	46	39	48	59	60	59

INDEX NUMBERS OF EXCHANGE RATES, 1929-38—Continued  
(Post-War Gold Parity=100)

	Argentina		Australia	Canada	Great Britain	United States
	Official	Free Rate				
1937						
January.....	46	42	48	59	60	59
February.....	45	42	48	59	59	59
March.....	45	42	47	59	59	59
April.....	46	42	48	59	60	59
May.....	46	42	48	59	60	59
June.....	46	42	48	59	60	59
July.....	46	42	48	59	61	59
August.....	46	42	48	59	60	59
September.....	46	41	48	59	60	59
October.....	46	41	49	59	61	59
November.....	46	41	49	59	61	59
December.....	46	41	49	59	61	59
Year.....	46	42	48	59	60	59
1938						
January.....	41	46	49	59	61	59
February.....	37	47	49	59	61	59
March.....	36	46	48	59	61	59

## NOTES

*Argentine Peso.*—The exchange control was inaugurated in Argentina during 1931, and became gradually more inclusive until by October of that year it was practically complete. Although definite sterling ratios were established from time to time, they were not maintained for any considerable period. In March, 1933, pesos were pegged to the French franc at 14.84 francs to the peso (gold) and then in November at 12.38 francs to the gold peso. The peso was again pegged to sterling on January 19, 1934, when the purchasing rate for export bills was set at fifteen paper pesos to the pound sterling. Selling rates, particularly in the free market, have been subject to constant change since the beginning of 1934. Free Market rates on the peso were not obtained from March to November inclusive, of 1933.

*Australia.*—After moving to a substantial discount in terms of gold during 1930, the Australian pound was pegged to sterling in January, 1931, at the rate of 130 Australian pounds to 100 pounds sterling. This ratio was revised in December of the same year to 125 : 100, and has been held at that level ever since.

*Canada.*—The Canadian dollar was theoretically off the gold standard for the greater part of 1929, but the breach did not become an open one until the United Kingdom abandoned the gold standard on September 21, 1931. The maintenance of a nominal Mint price of \$20.67 per ounce for gold after this date did not alter the fact that gold could not be purchased in Canada for that price. The present gold value of our dollar is approximately 59 cents.

*United Kingdom.*—As already mentioned, the link between sterling and gold was severed on September 21, 1931, and has not since been re-established.

*United States.*—The gold standard was formally abandoned in the United States on April 19, 1933. It depreciated almost steadily from that time until January, 1934. On the 31st of that month it was revalued at 59.06 cents, measured in terms of the old gold unit which meant a Mint price for gold of \$35 per ounce.

Source: DOMINION BUREAU OF STATISTICS,  
INTERNAL TRADE BRANCH,  
OTTAWA, ONT.

**APPENDIX VIII**  
**WHEAT HANDLINGS AT TERMINAL ELEVATORS, FORT WILLIAM AND PORT ARTHUR, AUGUST 1, 1933 TO JULY 31, 1937**  
 (bushels and pounds)

Grade	Stocks plus receipts	—	Shipments plus stocks	—	Surplus of shipments over receipts	Surplus of receipts over shipments	Surplus of shipments over receipts	Surplus of receipts over shipments
Man. 1 Hard.....	29,500,167.20	29,550,583.20	29,574,475.40	—	74,308.20	50,385.00	23,923.20	—
Tough 1 Hard.....	50,385.00	—	—	—	—	—	—	—
Man. 1 Northern.....	267,906,843.49	271,077,483.10	271,558,175.10	—	3,583,146.00	3,102,458.00	480,690.00	—
Tough 1 Northern.....	3,170,641.30	—	—	—	—	—	—	—
Man. 2 Northern.....	114,481,720.30	115,351,111.50	115,351,111.50	—	869,391.20	11,385,725.30	—	—
Tough 2 Northern.....	12,136,025.40	750,700.10	750,700.10	—	10,516,607.20	11,015.30	—	10,742.20
Old Grade 3 Northern.....	618,196.30	11,134,808.50	11,134,808.50	—	—	—	—	—
Tough O.G. 2 Northern.....	15,078.30	127,251,021.10	127,240,275.50	—	4,539,889.30	5,075,666.00	—	235,776.30
Man. 3 Northern.....	44,454,603.20	49,998,580.20	49,432,803.60	—	16,922,187.20	—	—	—
Tough 3 Northern.....	5,243,977.00	—	—	—	—	—	—	—
No. 4 Wheat.....	22,420,314.50	—	40,342,502.10	—	8,348,391.50	—	—	—
Tough 4 Wheat.....	3,634,831.50	—	295,081.00	—	—	—	—	—
No. 5 W. Wheat.....	16,917,638.00	—	13,682,017.40	—	—	—	—	—
Tough 5 W. Wheat.....	3,308,264.30	—	890,031.10	—	—	—	—	—
No. 6 W. Wheat.....	12,494,759.50	—	20,843,042.40	—	—	—	—	—
Tough 6 W. Wheat.....	1,846,453.00	—	372,407.50	—	—	—	—	—
Feed Wheat.....	10,790,066.20	—	7,812,239.30	—	—	—	—	—
Tough Feed Wheat.....	407,238.50	—	40,771.40	—	—	—	—	—
No. 8 Special.....	8,448,690.50	—	8,209,813.30	—	—	—	—	—
Tough 8 Special.....	127,694.20	—	1,046.00	—	—	—	—	—
No. 6 Special.....	5,268,098.50	—	2,581,171.50	—	—	—	—	—
Tough 6 Special.....	82,472.10	106,541,561.00	105,435,997.30	—	—	—	—	105,563.30
No. 6 Special.....	4,261,238.10	—	2,803,412.30	—	—	—	—	—
Tough 6 Special.....	29,083.50	—	—	—	—	—	—	—
1 C.W. Garnet.....	1,034,172.40	—	1,366,273.00	—	—	—	—	—
Tough 1 C.W. Garnet.....	210,045.60	—	55,978.10	—	—	—	—	—
2 C.W. Garnet.....	4,468,977.00	—	2,295,028.00	—	—	—	—	—
Tough 2 C.W. Garnet.....	830,307.50	—	145,975.30	—	—	—	—	—
White Spring.....	423,481.40	—	343,163.40	—	—	—	—	—
Winter Wheat.....	21,048.50	—	13,554.40	—	—	—	—	—
Mixed Wheat.....	365,316.20	—	122,645.40	—	—	—	—	—
All Other Wheats.....	6,279,762.30	—	3,227,213.20	—	—	—	—	—
Special Bin.....	3,170,606.30	3,170,606.30	3,170,761.30	—	155.00	—	155.00	—
1 C.W. Amber Durum.....	18,815,685.50	—	23,923,283.20	—	5,107,677.30	—	—	—
2 C.W. Amber Durum.....	11,535,935.10	—	9,792,768.00	—	—	—	—	—
3 C.W. Amber Durum.....	6,371,922.50	—	5,061,815.50	—	—	—	—	—
4 C.W. Amber Durum.....	2,498,016.00	43,814,194.00	44,217,946.53	—	—	—	—	—
All Other Durums.....	4,594,114.10	—	2,604,211.05	—	—	—	—	—
<b>Total.....</b>	<b>630,104,000.30</b>	<b>630,104,000.30</b>	<b>630,960,439.25</b>	<b>630,960,439.25</b>	<b>908,521.15</b>	<b>1,989,903.05</b>	<b>403,763.55</b>	<b>352,082.20</b>

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