

Efforts to Re-establish a Government Board in 1920-23.—In the early post-War years, wheat prices showed a generally downward tendency and there were various endeavours to re-establish government marketing of wheat. In 1920-21, the yearly average price of No. 1 Northern wheat at Fort William-Port Arthur was \$1.99, in 1921-22 \$1.30, in 1922-23 \$1.10, and in 1923-24 \$1.07. As the price fell, the agitation for a Wheat Board was intensified. The debates of the Dominion Parliament and of the Provincial Legislatures of the Prairie Provinces during this period bear testimony to the interest of the western producers in methods of marketing.

An Act was passed during the 1920 session that provided for the continuance of the Wheat Board but later in the year (July 16) the Government announced that, with the change in buying conditions, the Board would not operate in 1920-21. Prices fell throughout the crop year and those farmers who sold immediately after threshing secured a better price than would have been secured by a Board that distributed its sales throughout the year on a falling market.

The agrarian agitation for a Board persisted and there was much discussion as to the power of the Dominion Government to control the grain trade, except in times of emergency such as those under which the previous Boards had operated. In 1922, the Dominion Government passed enabling legislation setting up a Canadian Wheat Board but it called for similar and concurrent legislation in at least two of the three Prairie Provinces. This legislation was passed in Saskatchewan and Alberta but it was defeated in Manitoba. The other two provinces decided to proceed, but failed in their efforts to secure competent men for the Board. The scheme was then dropped for the time being. The Report of the Royal Grain Inquiry Commission, 1938 (p. 64), comments on this decision as follows:—

It seems probable that the final abandonment of the movement for a Board was brought about partly by the recognition of the fact that the need of government control and the conditions which had enabled the 1919 Board to obtain high prices were products of the war and had virtually disappeared.

Interest Turns to Co-operative Marketing.—When it was announced in June, 1923, that competent men could not be secured for the Government Board, attention was then turned to the possibility of co-operative marketing. The Alberta Co-operative Wheat Producers, Ltd., began handling and merchandising wheat for its members in the fall of 1923, followed by the Saskatchewan and Manitoba Pool organizations and the Canadian Co-operative Wheat Producers, Ltd., in 1924. The latter was the Central Selling Agency of the three Provincial Pools. Voluntary co-operation was thus substituted for a legislative set-up.

These producers' co-operatives operated on a large scale, handled the farmers' grain on a pooling basis through contracts, acquired their own country and terminal elevators, and were an important feature of wheat marketing during the period, 1923-30. Generally speaking, the Pools did not 'hedge' their wheat and, since they were handling about half the western wheat crop, the open market was not called upon to absorb the full hedging pressure during this period.

Governments Participate Again.—The difficulties of the Pools began with the failure to sell their share of the huge crop of 1928 and were aggravated by the fall of prices late in 1929 coupled with difficult sales conditions. The trend back to government participation began when the three Provincial Governments came to the rescue of the Pools with financial guarantees. In February, 1930, the banks were guaranteed