

1935, the same spread might be 25 or even 30 cents below the fixed price. The minimum prices established in 1935 and 1938 do not look so generous from this point of view. Farmers with low yields or low quality have not enough to live on.

**The Two-Price System.**—The fixed price under the Act is purely a domestic price, that is, the price that the Board is willing to pay producers for wheat. It should be noted that it is paid to producers only, that the Board is restricted to purchasing wheat from producers. Thus when wheat has been sold by a producer through other channels, there is no way in which it can be re-delivered to the Board.

There is no necessary relationship between the domestic fixed price and the price at which the Board sells to shippers or exporters. The Board has a free hand in matters of price but must follow the general selling policy set out in the Act. Naturally, the Board will be anxious to make as good a showing as possible and will obtain the highest possible competitive price for its sales. The primary responsibility of the Board, however, is to sell wheat, *i.e.*, to offer it continuously. If a deficit is incurred in such operations, it is by the Government.

**Early Operations of 1935-36.**—It has been described how the Board consisting of Messrs. McFarland, Smith, and Grant was appointed on Aug. 14, 1935. The market price of wheat remained above the fixed minimum price for six or seven weeks after the latter was set. Despite this, however, there were considerable deliveries to the Board. The Board had plenty of wheat to sell because, in addition to the incoming wheat, it had the cash wheat and futures of the Canadian Co-operative Wheat Producers, Ltd., which it was required to take over and dispose of under Sections 7 (*f*) and 8 (*c*) of the Act.

Although sales on the futures market were made in advance, the Board actually began its operations on Sept. 25, when it commenced to take delivery of wheat. There was naturally some uncertainty as to how much wheat would be directed to the Board as long as the market prices remained above the minimum prices. As soon as the market fell below, deliveries quickened and then all the marketings were directed to the Board's account. The Board finally received 150,700,000 bushels out of total country marketings in the crop year amounting to 216,300,000 bushels.

**Change in Personnel of Board.**—On Dec. 3, 1935, the personnel of the Board was changed, the new members being Mr. J. R. Murray, Chief Commissioner, Mr. George H. McIvor, Assistant Chief Commissioner and Dean A. M. Shaw, Commissioner. The services of the Advisory Board were dispensed with, it being considered that this body was unnecessary under a voluntary Wheat Board. The sales policy of the Board was adapted to conform with a statement of the Hon. W. D. Euler, M.P., Minister of Trade and Commerce, issued on Dec. 4. This statement read as follows:—

The concentration of surplus stocks of wheat in Canada during the past few years has created an abnormal situation in the world wheat trade.

Last June this situation was recognized by Parliament as not being in the interests of Canada or her wheat producers, and the Dominion Government desires to have our surplus restored to a normal basis. To accomplish this the Wheat Board will seek the good will and co-operation of the grain and milling trades in all importing countries.

It is not necessary to have and there will not be any 'fire sale' of Canadian wheat, but it will be for sale at competitive values and will not be held at exorbitant premiums over other wheats.