

finds a relative market with respect to No. 1 Northern, No. 2 Northern, and so on.

Q. Mr. Ramsay before the committee in 1932 suggested that he would not be surprised to see that drop go to the extent of ten cents; and according to the discussions of the exchange at Winnipeg they have anticipated a spread of anywhere from three cents to eight cents?—A. In the later discussions we had when this thing was brought up awhile ago we found a very great difference of opinion; we found some people who even thought two cents might be the price, others who thought 6 cents might be the price; and so we were in a sort of quandary as to just what the spread ought to be. But we figure it would probably adjust itself in a period of operation.

Q. In any event, if it does drop the British miller stands to benefit considerably financially by such drop at the outset, does he not?—A. If it drops it would be because he does not want it. It would not drop if he thought it was of value, because he would be buying it, you see. That is why we feel that it will settle itself if it is graded separately.

Q. I mean, in the period of adjustment?—A. It might, in the period of adjustment.

Q. He would stand to benefit substantially?—A. If he bought it below its value he certainly would.

Q. If he buys cargoes out of Vancouver averaging 65 per cent, if he is still going to continue to use that, and buys it considerably cheaper, he does stand to benefit financially during the period of adjustment?—A. But there is this factor, M. Davies, when you have Garnet separately graded—the tempering of Garnet is a little different process than Marquis and Reward; and there are people who think if Garnet was tempered separately it would sell for more money. I do not know whether that is the case or not.

*By Hon. Mr. Motherwell:*

Q. Did you ever know of a wheat graded separately that ever lived more than three or four years?—A. Yes.

Q. What?—A. Durum.

Q. That is not a milling wheat, everybody knows that is for special purposes?—A. I never knew of any other wheat being graded separately.

Q. What about White Fife, Quality and Quota?—A. Those were wheats that were not widely sold.

Q. White Fife was?—A. I don't think so.

Q. Oh yes?—A. It has gone out of use altogether. These grades that you mention are comparatively small matters compared to the growing of Garnet wheat.

Q. I was just citing them as illustrations?—A. I would like to say this, the grain trade has no particular bias in either direction, they are very divided in their opinions on it.

*By Mr. Vallance:*

Q. How would it be if you were to start it out as a separate grade at the same price as No. 2 Northern now, and then see how much of it would be bought at that price to try it out?—A. As soon as we know standards are set, we will have to get somewhere in connection with something like that; because, I do not think the grain trade want to stand in the position of setting a value on these spreads and become open to criticism for that. We want to see the market value of the thing established as quickly as it possibly can be. It seems to me that it would not be very long if these separate grades for Garnet come in before there would be some value clearly established for it through demand.

Mr. LUCAS: If you set a price three or five cents a bushel lower than the Manitobas, aren't you saying to these people over in Europe that it is not worth