

The WITNESS: I think we made an adjustment on anything over 20 per cent because the cost of drying grain of, say 22 per cent, is more than it is for drying grain with 19 per cent.

*By Mr. Fair:*

Q. What was the cost of drying per bushel of the two?—A. Well, the spread reflects that. Together with losses in weight.

Q. You said you made a break of 20 per cent moisture?—A. We did it for the reason that we felt it costs more money.

Q. It costs less to dry below 20 per cent than it does above?—A. Exactly.

Q. What is the difference in cost of drying those below 20 and above?

Mr. MILNER: The rate established was 14. A lot of that stuff had to be dried over twice.

*By Mr. Ferrie:*

Q. Why is it you gentlemen always give the break to the trade? Why not to the farmer? We pay you so why should we not get a break once in a while? The farmer never gets a break, it is the trade.—A. If you can find anybody in western Canada who is more jealous of the farmers' interests than John Vallance and myself—

Q. I know you two well, but it always seems that the farmers have to take the loss. If it is over the line he has got to take the breaks, as far as he is concerned he has to lose, but the trade never loses. The breaks are always made on that side. How about reversing that for a year or two?

Mr. VALLANCE: I do not know what you are considering in the break.

Mr. FERRIE: You have .4 here, a lot of it was .4 and it was close 14.5 or 6, just over the line. Does he get that break? No, he certainly does not get that break. It is damp or it is tough. If it is a very fractional part over, then he has to take the loss. Now, the grade is the same. If it is a class 3, well he does not get a 3 because it does not go into the contract. When they give him a .4 they say it is a good 4 but a poor 3. They do not give him 3. They do that right along. Now, for a year or two let us have the break. They have had the break for years and years now. Let the farmer have the break for a while.

Mr. MILNER: I do not think you ever heard of a grade such as a poor 3.

Mr. FERRIE: But that is what the elevator man says it is. He would give him a 4 on a poor 3. What I say is that when the grade is on the line the break should be given to the farmer.

Mr. MILNER: In 99 cases out of 100 competition forces that position on the elevator agent.

Mr. FERRIE: Not now, though.

Mr. MILNER: Not with the blocked position of the elevators, not now. But they are just human beings.

Mr. VALLANCE: To be fair, sections 111 and 112 of the Act should be read here. You say that the farmer does not get the break. Well, provision is made in section 111 as follows:

111. If grain is offered at any licensed public country elevator for sale or ordinary storage and the person offering the same and the operator or manager of the elevator agree as to the grade thereof, and the proper dockage therefrom, an ordinary cash purchase ticket or elevator receipt shall be issued in respect of such grain, describing it by reference to the grade and stating the dockage agreed upon.

Now I am going to read section 112, as follows:

112. If grain is offered at a licensed public country elevator for sale or ordinary storage, but the person offering the same and the