

Q. That would be about 20,000,000 bushels then?—A. Yes.

Q. And you export direct to the man who is milling our wheat into flour in the United Kingdom and on the continent?—A. We export direct to agents. We have agents all over the continent, we have had them for years—and in the United Kingdom; agents who transact the deal between ourselves and the millers, either as principals or as agents.

Q. Well now, assuming that that 20,000,000 bushel figure is approximately right, can you give the committee any idea as to how much of that wheat you export ex-Vancouver, and how much of it goes ex-Atlantic ports?—A. I did not bring those figures down, and I could not even roughly say. I can secure that later for you, but I could not even roughly say at the moment. We have been doing business in Vancouver, and continue doing a little all the time.

Q. But you predominate on the Atlantic ports?—A. We do a big business on the Atlantic, yes.

Q. Could you give us any idea as to the proportion of wheat that goes to the Continent as compared to the proportion which goes to the United Kingdom?—A. That would be hard for me to do just now, because as I say I was not expecting to come before the Committee and I did not get these figures out; but we do a fairly large business with the United Kingdom, although I think the majority of our business is on the continent.

Q. You said, Mr. Smith, in effect,—I copied your words down, “the spread between 1 and 2, the spread between the different grades depends largely upon the quality of the crop”—and you mentioned the question of freight rates which sometimes drop as between one port and another. I presume if the Vancouver rates dropped to Europe the Atlantic sea ports would adjust their rates to equalize the differential; that usually follows, doesn't it?—A. It does not follow altogether. The way it works out is this: the Atlantic seaboard has a tremendous amount of what we call liner space coming in.

Q. I understand what you mean?—A. That must be filled with something. The tramp steamer business comes in haphazardly, as they get cargoes or for one reason or another; so we get very low rates at times on the Atlantic, particularly out of New York we get very low rates because of the great amount of tonnage that comes in there, and in the open season of navigation on the St. Lawrence River where there is a good deal of liner space frequently.

Q. I want to get a little more exactly to this question: Would not the difference in the freight ex-Atlantic and ex-Vancouver be largely governed by demand, would not that be the determining factor?—A. Well, I would think, as I have said already, that during the last six months there has been a disposition on the part of the buyer to buy nearby shipments which he gets from the Atlantic; and not to buy much heavier shipments coming along later. I do not say that is all, but it would be something.

Q. Would it be safe to say, broadly speaking, quality will have a very marked effect on price in the long run?—A. Yes.

Q. Now, I think it is generally conceded that if Garnet is graded separately, that the immediate effect would be a drop in the price of Garnet as compared with other grades?—A. I did not get that exactly.

Q. I think it is generally conceded that if Garnet was graded separately, the immediate effect would be—at least for a year or so anyway—that the price of Garnet would fall relatively. Assuming that is so, would it be unkind to assume that the millers in Great Britain would stand to benefit considerably from a monetary point of view?—A. I cannot say that I really believe that if separate grades for Garnet were put in that it would drop considerably. I do not believe that. I believe that the value of it graded separately would be apparent very quickly, and that if it was really worth as much as some of us think it is, it would find a market, and it would soon come in the course of a short time to find a market relative to the other grade; just as No. 2 Northern