

Maybe we may need some help and guidance, and this help and guidance may save us all some money. For three years we have tried to get space in the Prescott elevator, which is one of the elevators we use. We tried it in June, and in July and each time we were promised the space. At last the delivery was to be made in October, that was clear, but when we went to our grain agents who employ the boats, they could not move on the first of October because there was no space in Prescott. After a lot of hard bargaining each year we were successful in getting a boat tied up to the Prescott quays or wharf just about freeze-up time. We always got it about six weeks late and we had to leave the grain on the boat for a little while.

That does not answer your question, but the following one will, I think. This year, because of many factors that you well know, transportation, and the big overseas shipments and no space in Prescott, we were delayed and delayed. At last we got a boat. She just nosed in yesterday, I do not know how she did it. Before she got there we thought she was never going to make it so we started shopping around for feed to meet our needs in case the boat could not get here.

This is the statement I wish to put in; it was written on December 10: The reason we could not get the grain into Prescott, according to this statement, was the unavailability of space at Prescott, presumably owing to one or more grain brokers in the Montreal-Toronto area placing heavy stocks in this elevator during late summer and early fall, and after the close of navigation charging exorbitant premiums for the grain being held. I believe this is what you are trying to get at. I can only quote what the grain man tells me, because I am not an authority: This has been a common occurrence for the past number of years; it has resulted in the eastern feeder paying considerably more for his grain than should be the case. A Montreal grain broker—this is December 10—now is offering oats and barley spot Prescott at  $10\frac{1}{2}$  cents and 12 cents over the May option respectively; that is,  $10\frac{1}{2}$  cents in respect of oats and 12 cents in respect of barley. This is a premium of from 5 to 6 cents per bushel, or \$1.75 or \$2 a ton over what we paid for the grain at that spot some two weeks ago.

The point is that the over-all grain prices did not change, but the premium changed because the buyer wanted the grain, and if he could not get it off the boat, he would have to bring it in by rail which would cost him more. So, in a matter of hours or days the whole thing is changed. Thank God we do not have to take it, because we have the boat there.

Mr. DANFORTH: Mr. Chairman, may I follow this a little further. I think this is important. I would like to ask your opinion because of your experience. Would you say that in the past it has been a practice of grain merchants to bring in supplies and place them in terminal elevators in the east for distribution to the eastern trade through the different channels; that is, bring them in at low water rates during the navigational season and then create a rising price during the winter months that is just below the price which would be set on grain brought in by rail, whether or not this is in respect of the importation of foreign grain—and I am speaking of the United States? Can we be led to believe that this has been the picture?

Mr. WALSH: Mr. Chairman, and Mr. Danforth, I think you have stated my case better than I did myself.

Mr. DANFORTH: You agree that this has been the picture?

Mr. WALSH: Yes; that is where the spreads are.

Mr. DANFORTH: In other words, these grain merchants have had their nominal brokerage fees, and so on, plus premiums, because of the inability to obtain grain through any other source.