

Here is an example how every buyer of grain in the East, wholesaler or retail feedmill, can check the profit of the shippers in Winnipeg and the profit that the Eastern wholesale distributor can realize. Taking for example the September 1st official wheat board price for \$5 wheat, of \$1.74½ per bushel in store Fort William; add the cost of loading the wheat from the Fort William elevator on the boat at the rate established by the Board of Grain Commissioners, plus cost of insurance, etc., totalling 3½¢ per bushel, add the boat rate Fort William-Montreal of 10¢ per bushel and we arrive at a cost price of \$1.88 per bushel CIF Montreal. The unloading of the wheat in Montreal and the subsequent loading of wheat by the elevator on railway cars or trucks average 1¼¢ per bushel, making a total price of \$1.89¼ per bushel track Montreal. A bushel of wheat is 60 lbs. Therefore, the cost price is \$3.15 per 100 lbs. The freight subsidy Fort William-Montreal is 25¢ per 100 lbs., making the net cost price, without any profit for the Winnipeg shipper or the Eastern wholesaler, \$2.90 per 100 lbs. The government pays an arbitrary freight rate, from Montreal to final destination for shipment by rail, in full. Therefore, the net cost price, delivered to the feedmill, is the same. So far as oats and barley are concerned everybody can establish, in the same manner, the cost per 100 lbs., subsidy deducted, delivered to the country feedmill, by taking as basis the daily published prices of the Canadian Wheat Board for oats and barley in store Fort William. Water rates for oats and barley are of course lower per bushel, because a bushel of oats is only 34 lbs. and a bushel of barley 48 lbs.

My firm pays, for the handling of grain at Fort William, including the paper work and the financing of the grain until the grain arrives in Montreal, ¼ of a cent per bushel. I believe that the same margin of profit is paid by the other wholesalers in Montreal, most of them having their head-office in Winnipeg anyway. We add to our cost-price CIF Montreal, 3¢ per 100 lbs., which leaves us a gross profit of \$24 for an 80,000 lbs. car-load worth about \$2,000 to \$2,500. Other wholesalers are basing their sales on the same margin of profit.

Country feedmills are invited to call any time *collect* for market information before buying, besides receiving regularly price-lists giving them the daily quotations for wheat, oats and barley. Having thus shopped around, they then buy where the offers are cheapest.

In view of the small profit margin of the wholesalers, grain was invoiced still ten years ago basis cash against documents. For quite some years now this is no longer possible as practically all country feedmills require terms of 30 to 90 days for payment, because of the long-term credits they have to give to the farmers to keep them in business.

Winnipeg shippers of Western grain and Eastern wholesalers are *erroneously called brokers*. A broker is a man who sells or buys a merchandise on behalf of the firm he represents, at a flat commission, without doing any financing, invoicing or handling and without taking any risk. All Winnipeg shippers and Eastern wholesale distributors are *grain merchants in the true sense of the word*, handling the grain for their own account and risk.

Taking again the Province of Quebec as an example, the wholesale grain merchants in our Province have to store the feed grain for their customers during the winter months, in Eastern elevators, and have to advance, before the freeze-up, about 20 to 25 million dollars for grain they hold in elevators for the account of retailers.

Feeders are using Western grain largely in feed mixtures. These mixtures are made up of about 60% oats and barley, costing according to grade around \$2.30 per 100 lbs. The balance of 40% is composed of mostly protein and mineral supplements and other protein feeds which cost \$5.50 to \$7.50 per 100