

I cannot, of course, pretend to be a railway operating man, but if this Committee wishes to get some information on that from the railways, I am inclined to think that you will find that considerable saving in their business can be accomplished by the operations of a Wheat Board, handling the large volume of a commodity.

*By Mr. Sales:*

Q. Because of the more gradual marketing?—A. Well, that would be one point, but not necessarily so. When I say "not necessarily so" I mean not necessarily limited to that, for instance, deliveries of grain may come with a rush at some certain portion of the province this week, some other portion next week, and so on; that is the way this thing happens, anyway. Bear in mind that under the open conditions represented all over this area are a number of grain interests, each one naturally enough looking after its own business and wanting some service, each one buying grain as it is delivered to him and entering into contracts for future delivery, and each one pounding the railway company for cars to enable them to ship out to meet their contracts. The result of that is that you do not get a distribution of cars, necessarily, proportionate to deliveries of grain. Now, if you have no open markets with these individual contracts in existence, you can by arrangement with the railway company place your cars just exactly where the grain is. That is the only consideration, because working through one agency, you have only one set of contracts to look after, and you do not care whether your wheat comes from Southwest Manitoba or Northwest Alberta, or where it comes from. First of all, take it from the place you can get it most easily, at the same time having regard to congested points so that you can relieve it, enabling the farmers to bring it in if they wish to do so.

*By Mr. McMaster:*

Q. Are the prices paid to the producer at the country elevators prices which properly reflect the prices paid at Fort William at the time when the wheat would naturally reach there, less proper charges for carrying the grain that far? Do I make my question clear?—A. Yes, sir, I think I understand your question. Street prices paid to country elevators are based upon the values or the prices which may be obtained for future delivery at Fort William one month, two months, or three months hence, as the case may be, depending upon the ability of the buyer to deliver within those various periods. For instance, if he thinks he can buy grain in the country to-day by the load and deliver that next month in Fort William, he will base his street prices on to-day's prices of Fort William grain next month. If circumstances are such that he does not believe he can deliver within a month he moves to the two-month period, and we have a quotation to-day for grain delivered in Fort William two months hence, which is the basis of his buying price. Now, I want to make this clear in order that there may be no misunderstanding. When I speak of prices for grain in store Fort William two months hence, I am referring to the option prices, which are the only future quotations. They may or may not have a relationship to existing cash prices to-day. There may be a wide spread between them. I want to make this clear also, because I understand the millers represented by Mr. Watts had some very hard things to say about this. I think if I had been present I would have told you that the prices which resulted in those wide spreads, those wide spreads were the result of prices offered to us by the millers and the buyers for future delivery. Those are the men who set them.

Q. Well, leaving aside the wickednesses of the millers for the moment, and coming back to the question—are the prices which are paid by the country elevators for grain to the producer fair prices, taking into consideration the prices ruling for delivery at the time when the grain will reach the elevator at Fort William? Do you understand my question? I do not know whether I made it clear or not.—A. Your question has varied somewhat from the original question, which I answered in the affirmative—yes, sir. I think you will—

[Mr. F. W. Riddell.]