

Q. Yes.—A. No, we pay 3 per cent to the bank on our demand loans, and in the country, as I explained to Mr. Perley, we pay $4\frac{1}{2}$ per cent to the country elevator companies and in turn they borrow from the banks.

The CHAIRMAN: Are there any further questions to be asked about pages 14 and 15, with regard to the banking arrangement? If not, we will proceed to page 15. Will you give the committee a general review of this statement?

The WITNESS: Yes, I shall be glad to. The first statement merely represents the continuation of the 1938 crop and shows the operations as applied to the crop year 1941-42, giving the sales by months and the unsold position. The second statement refers to the liabilities of the board to the banks and agents.

By Mr. Perley:

Q. Why is the liability to the agents practically nil?—A. That is because the balance on the crop year has been delivered and paid for by the board as we accepted delivery at the delivery points and paid the agents for it.

By Mr. Rickard:

Q. You are talking about the wheat crop of 1938. What shrinkage is there in wheat if it is carried for that long a period?—A. The only shrinkage there is, as far as the board is concerned, is a very small quantity which is lost in transit, and that only affects the board when we ship from one terminal to another or from the interior to the terminals after we have taken delivery of the wheat.

Q. Is there not shrinkage in the wheat? In eastern Canada, if we keep our grain in a granary, we find that it shrinks the wheat—A. I know. I can appreciate that in the case of Ontario wheat, but it does not apply, except to a very small extent, with regard to western wheat. I am speaking so far as the board is concerned. The terminal elevators, undoubtedly, have some shrinkage in their annual weigh-ups, but it is a very trifling quantity in comparison with the large volume handled.

Q. Do they allow for that when they take the wheat in?—A. Yes, there is a half of 1 per cent invisible dockage allowed.

The CHAIRMAN: In addition to that, the elevator company has to deliver the amount of wheat taken in.

The WITNESS: Yes.

Mr. RICKARD: I wanted that point explained, because it is contrary to the ideas we hold in the east.

The CHAIRMAN: There is little danger of any loss in that regard as far as the handling of grain from the country elevators is concerned.

The WITNESS: If we have a warehouse receipt from any terminal elevator for a million bushels it is required to deliver to us one million bushels.

Mr. RICKARD: That applies to all kinds of wheat that you grow?

The WITNESS: Yes.

The CHAIRMAN: May we proceed with the next statement on page 17?

Mr. PERLEY: The statement shows the balance in the last column of 244,000,000 bushels odd. How does that compare with the figure on the first page of this report, the last two or three lines of the second paragraph, which states, "the carry-over at July 31, 1942, being 424,000,000 bushels."

The CHAIRMAN: I hesitate to interrupt the proceedings, but our reporters are having a difficult time hearing what is going on. There is too much confusion. I suggest that each member speak distinctly so that the statements can be taken down correctly.