

States a local trade for a higher quality of flour than was in existence a few years ago. For instance, that might have occurred through the prosperity, the comparative prosperity, of the southern States during the war period, for instance, when the prices of cotton advanced so tremendously. The usual consumption of low-grade wheats and corn and so forth was in a measure switched to a better quality of flour, creating a greater home market for the hard spring wheat flours. That is the explanation given to me. They have in the last few years developed a better home market for their better grade flours, and of course if circumstances force them they may have to go back again to the same conditions they had before.

Q. But could you give us any idea as to what percentage of our wheat, or if not in percentage in quantity, that market is liable to take? That is, under its present condition, with a fairly good demand for hard wheat and just an average crop in their own country?—A. I would not be able to give you any information on that, sir, because there would be a number of features enter into it. If you mean for domestic consumption I could not help you very much, but if you mean for trading purposes, the market probably could absorb most of it. We have here two exporting countries, each producing in an ordinary way more than its natural consumption. Therefore any volume of grain moving from one country to the other decreases the exportable service in one country but it increases the exportable service in the other country. Now, to the extent we pass grain from Canada to the United States they may keep it for their own consumption, but they release an equivalent quantity for export. If you are referring to how much of our wheat they would absorb for domestic consumption I could not tell you. They will just take as much as they need to meet their demand, and they still might continue taking our wheat and exporting either it or the equivalent in their own grades of wheat or flour, as the case might be.

*By Mr. McMaster:*

Q. Under the proposed reconstituted Wheat Board, would the Wheat Board sell as much to the States as under non-control?—A. I think you will see immediately Mr. McMaster, that I could not answer that question as to what any future Wheat Board might do, but I would say this, that the Wheat Board knowing its business would sell to them if it were advantageous to do so, or if it was disadvantageous, bearing in mind all the time that they are selling to somebody else; that is to say, you would have to regulate your sales to them in the matter of quantity and price so as not to interfere with your main object. If the quantity they were taking was small, it is obvious that you could not allow that to interfere with the greater sale. There would have to be a correct relationship based on conditions at the present time, so I could not offer any predictions as to what they might do.

*By Mr. McConica:*

Q. I have two letters from the States saying that during the time of the low price last fall they imported a considerable amount of wheat from Canada and paid the duty on it. Do you know whether that movement was general at all or not?—A. I could not answer that question, that is to say, from lack of knowledge. I have not the knowledge necessary to answer that question. There is a point, however, that the Committee itself might be able to get information upon, and that is as to whether after paying that duty they have not an arrangement with the United States for rebating 99 per cent of it upon the exportation of an equivalent quantity of flour. I have not been able to get any satisfaction on that point yet.

Q. I have one other matter. We have had before us considerable talk about the carrying charges, and how that would affect the farmer if he attempted to carry his wheat through until spring. Is it not a fact that the carrying charges would be the same to the farmer as to the speculator? Would they not both be substantially the same?—A. A speculator may speculate in grain without actually taking delivery of a