

to mouth, or for some reason buying it for mixing purposes. I do not need to tell this committee that our wheat has to be used to some degree for mixing to improve the quality of wheat from other countries. The proportion which they buy varies with the quality of the wheat which they get from these other countries, and, of course, that has an effect on price, with other things. They have been buying in the last six months more for mixing use, hand to mouth as we call it. They have not been buying with contract that would come in later. That is one of the reasons in the last six months why the spread widened at Vancouver. That is, I think, one of the reasons. I do not know whether I have explained that as clearly as I should. I have perhaps been a little disconnected in my explanation of it; but these are mainly the reasons, I think, for the difference in the spread: The quality of the crop grown; the demand, whether it may be nearby or for future delivery; and the condition of freights on the Atlantic and Pacific seaboard.

Now, I do not know whether I should go into this, but Dr. Newman has spoken of quality and the mixture of Garnet, and all that; and set it very clearly before you. So I do not suppose you wish me to say anything about that in connection with spreads.

The CHAIRMAN: We should have your opinion, I think Mr. Smith.

The WITNESS: Well, I will give generally speaking the information we get from our buyers in Hamburg, Amsterdam, and continental ports, when I was over there a year or so ago; and this year when our New York manager was over there. He said he never heard the name Garnet wheat mentioned in any of these countries. The criticism of Garnet seems to come principally, of course, from the United Kingdom, who are very large buyers of our wheat. But the continental ports have never complained to us, at any rate, about Garnet wheat being objectionable to them; and they had to buy a considerable quantity of No. 2 Northern Wheat, mostly it is true from us, from the Atlantic seaboard, but sometimes from Vancouver. Now then, in the United Kingdom we have noticed a preference, as far as our country is concerned, for the buying of wheat from the Atlantic seaboard; and we put it down—the first reason was they wanted near-by wheat and they wanted it quickly, and they did not want to tie themselves to future delivery contracts. We had some conversation when I was over there with various people about Garnet wheat, and there is no doubt that in the United Kingdom they feel that the Garnet wheat does not mill as well mixed with other wheats, because of the different treatment that it needs. And that has been the only complaints we have had. We have had no complaints from the continental buyers. As I say, we have never heard it mentioned by any of those buyers.

The CHAIRMAN: Have you any further statement to make about any of the other matters, Mr. Smith.

The WITNESS: I thought you wanted to stick principally to No. 5.

The CHAIRMAN: Are there any questions?

*By Mr. Vallance:*

Q. What percentage, roughly speaking, of your export business is done with the United Kingdom?—A. Well, during the past year, the percentage done to Europe with our particular firm was larger than with the United Kingdom. The United Kingdom kept telling us all the time that Argentine wheat was cheaper and we did more business on the continent. We did a fair business in the United Kingdom, quite a large business.

*By Mr. Brown:*

Q. I take it then, from what you have said about the cause of spreads, that it would be not be very easy for us to come to any conclusions as to the exact