

Hon. Mr. MOTHERWELL: You can go to the Atlantic and get it?

WITNESS: Even that will vary.

Hon. Mr. MOTHERWELL: Well, don't buy it at all. This indicates that there are lots of other grades. It is a free country. You can order what you like. If you can get Garnet cheap enough you will use a lot of it.

WITNESS: Are you suggesting that because we are not buying 2 Northern now to stop buying 2 Northern altogether, and if we do not like 1 Northern we should stop buying that as well?

Hon. Mr. MOTHERWELL: I see you do not like any Canadian wheat.

Mr. CARMICHAEL: Do you get around the purchase of 2 Northern by buying more 1 Northern and possibly 3 Northern and 1 Hard and blending those two?

WITNESS: No. If we can buy 2 Northern at a certain spread under 1 Northern we buy it out of the Atlantic. If the spread is narrower than a certain figure we buy 1 Northern. But if the price of 1 Northern or 2 Northern is above a certain figure we naturally fall back on other countries to get our supplies.

Hon. Mr. WEIR: Is it not a fact that the spread has been very narrow in 1933 between number 1 and number 2 which caused you to buy number 1? If there is a difference of 1 cent between number 1 and number 2 you would have a tendency to buy more number 1, would you not?

WITNESS: Yes, in one way, but also there is the tendency to buy more foreign wheat or a less bulky Canadian wheat.

*By Mr. Totzke:*

Q. How do your purchases of Canadian wheat compare as to quantity in recent years?—A. Our society is getting larger all the time and we are buying more wheat.

Q. I mean Canadian wheat?—A. In Canadian wheat it varies. Up until 1932 and 1933 our figures grew larger each year, but since then they have dropped off. It may be just a temporary condition of the market, or it may be a policy of the owners of Canadian wheat being relatively out of line with foreign wheats.

Mr. PERLEY: You said something in respect to the situation in regard to our Canadian standard to the effect that your representatives from the old country thought our standard should be raised. Do you mean they are losing confidence in our Canadian wheat and think we are lowering our standards?—A. Well, that is pretty much for them to answer. What they tell us verbally is that they are dissatisfied and they want our standards raised. They want 1 Northern to be a better 1 Northern than it is, and the same with 2 Northern.

Mr. MCKENZIE: Did they give you any basis for their objection. Is it because of Garnet wheat; or did they state any objection?

WITNESS: In 2 Northern they definitely do state the inclusion of Garnet.

*By Mr. Vallance:*

Q. Is it because of the grading system that Canada has that you are demanding of Canada that she raise her grades, or are you demanding of all countries that import wheat into the Mother Country that they raise their standards?—A. I could not answer that.

Q. Well, then, is it not because of the different system of grading. The Argentine is f.a.q.; you cannot raise it. It is fixed and depends on the crop. Australia is pretty much the same. The same is true with Danubian countries. Canada, because of the fact that she grades from 1 to 6 and we define in the Act