

The Minister also stated, as honourable members may see by referring to page 303 of the committee's proceedings, "I am of opinion there is nothing in this Bill that will increase the cost of moving grain from the head of the lakes to Montreal." I think I can say on behalf of all members of Parliament, in this House and the other, that none of us would think of doing anything to reduce the price of wheat to the farmer. All the efforts of Parliament have been in the opposite direction. A committee of this House was appointed in 1925 to examine into the railway situation, and we know that the rates our railways charge for carrying wheat between Fort William and the West are 25 per cent lower than those charged by American railways for running over parallel territory in the United States.

All who are familiar with the trade know that when a farmer sells wheat on the Winnipeg Grain Exchange he pays the trader the freight from Fort William to Liverpool. Suppose the price is \$1.30 per bushel when the farmer orders his agent to sell. The agent charges against that \$1.30 the cost of transportation and deducts any advances that have been made on the grain. Against the price that the farmer receives the freight charges from Fort William to Liverpool, or other European port, as the case may be, have been calculated. Traders who bid for grain at the market price have to reckon the freight costs which they must absorb. These traders—they are not numerous; I understand there are only about twelve or fifteen of them—have the reputation of being sharp business men, and I take it they play safely. In order to do that, what must they do? As my honourable friend from Kootenay East (Hon. Mr. King) said this afternoon, they calculate the maximum freight rate.

Hon. Mr. CALDER: What evidence had we of that?

Hon. Mr. KING: That is business.

Hon. Mr. DANDURAND: They have business acumen. That is what my honourable friend would do and what I should do. A trader buys on the exchange a quantity of wheat which is at Fort William. He knows what it can sell for and he knows he has to pay the cost of transferring it from Fort William to Liverpool.

Hon. Mr. LYNCH-STANTON: I do not wish to interrupt, but will my honourable friend permit me a question? Does the trader sell it f.o.b. Fort William or f.o.b. Liverpool?

Hon. Mr. DANDURAND: He sells it f.o.b. Liverpool. He makes the purchase at Winnipeg, but the grain itself is at Fort William, and out of his own pocket he has to pay freight charges from Fort William to Liverpool. So in determining what price he can offer the Western farmer he must reckon his freight charges and his profit.

Hon. Mr. CALDER: He fixes a maximum?

Hon. Mr. DANDURAND: A maximum, to play safely. Naturally he will not reckon on a rate that would cause him to lose money.

Hon. Mr. CALDER: Or to lose business.

Hon. Mr. DANDURAND: No one can gainsay that the trader, when he buys, plays safely. His object is not to lose money.

Hon. Mr. CALDER: Will the honourable gentleman permit me? I am sorry to interrupt. The grain business is a fluctuating business with every day a spread of, say, one-eighth of a cent to a cent or a cent and a half. Men who are in the export business know exactly, month by month, what the average freight cost to them is. They are interested in getting business, and competition is very keen. Now, unless we have absolute evidence that in fixing their prices they take into consideration only the maximum freight rates, I should doubt that they do so. I quite agree that they play safely.

Hon. Mr. DANDURAND: The freight rate fluctuates, I agree. The person who has first knowledge about that is the trader who is affected by the fluctuation up or down. He considers the situation and arranges to protect himself.

Hon. Mr. CALDER: Quite so. He plays safely.

Hon. Mr. DANDURAND: I am satisfied that I am carrying my honourable friend with me on this point.

Hon. Mr. CALDER: Not as to his calculating the maximum lake rate in fixing his price.

Right Hon. Mr. GRAHAM: The maximum for safety.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. CALDER: I doubt that he calculates the maximum for safety.

Hon. Mr. DANDURAND: He will take no risk.

Hon. Mr. CALDER: He does not want to take any.