

wheats that we have. It is a good yielder and it does not piebald or produce starchy kernels in northern points. In addition to that, these are very difficult times, and there is no desire to penalize the growers of grain any more than is absolutely necessary in the circumstances. Now, as I said earlier, in this session, if you are going toward an objective, one step at a time is pretty good progress. I quite realize the point that has been raised by Mr. Carmichael and maybe some others. There is a real danger, if we had a frozen crop, or the crop had been injured from some other cause, we might find ourselves in the position where we would have very little wheat higher than No. 3 Northern, consequently we might find ourselves with very little wheat that is not mixed with Garnet, but we know in the west that if we make this change at the present time that we are making some progress, we are moving. I do not agree with Mr. Vallance when he says that No. 3 is the grade of wheat that sets the price, that sets the standard of the Canadian wheat in the European markets.

MR. VALLANCE: I will qualify that. I think you will agree with me that the Argentine crop is marketed on the F.A.Q., which is equal to our No. 3. And the competition you meet is not No. 3 grade, or No. 1, or No. 2, but Argentine F.A.Q., which is equal to our No. 3. That is the reason I said that.

THE WITNESS: I was in the Old Country in 1928, in Manchester, Liverpool and London, and looking over the wheats in the various grain exchanges there, I think I made a remark when I saw the wheat from the Argentine that it looked like our No. 3; but that is not the wheat that sets the standard of your Canadian wheat in the Old Country. I think it is the No. 1 Northern. I think, undoubtedly, the premium that is paid for Canadian wheat in the British market is the difference between that No. 3 Northern and the Plate wheat, the Argentine wheat, and our No. 1 Northern wheat. I am not disposed to accept that statement.

*By Mr. Vallance:*

Q. Let me ask you this question: Into what grade does the greatest bulk of the Canadian wheat grade?—A. I have not those figures on the various grades from year to year. I think probably in the last three or four years you will find a large percentage of our wheat graded No. 1 hard, No. 1 Northern, and No. 2 Northern.

THE CHAIRMAN: We have only five minutes left, Mr. Hamilton.

THE WITNESS: I think I can finish. I think I have pretty well answered the question why it is not advisable to exclude it from No. 3 as well as No. 2. At the present time, there are large quantities of wheat in store in our terminal elevators, as you know, and in country elevators. Which will probably get into the terminal elevators as fast as the grain companies can get it, and possibly before the several grades would come into operation, if they do. The practice of the manager of the terminal elevator, when he receives wheat into his elevator, is to issue warehouse receipts for it, in which he recognizes delivery into his elevator of a certain quantity of wheat of a certain grade; and he agrees to deliver out a similar quantity of wheat of a similar grade. Now, that is going to be a penalty on the operators of the terminal elevators, and if you put Garnet out of two grades, instead of one, you probably double or more than double the penalty that is going to be imposed on the terminal elevators in that connection.

MR. VALLANCE: They can stand a little loss just as well as farmers.

THE WITNESS: I am not arguing the interest of the terminal elevators; but again I say, if you make one step at a time when you are proceeding towards a goal, you are making progress.

HON. MR. MOTHERWELL: One at a time is good fishing.

THE WITNESS: In the past crop year, we had one Manitoba hard, 8·23 per cent; one Northern 46·78 per cent; 2 Northern 29·49 per cent; and No. 3 8·5, a very high quality crop undoubtedly.