

Mr. WALSH: In my opinion, sir, that is why some of those who give evidence to you in this committee are so violently opposed to the co-operatives. It is because the co-operatives do not have that interest; they are trying to pass it on to the feeders, but they get caught off base.

Mr. DANFORTH: Any profit which is accrued through the co-operative would go back to the farmer?

Mr. WALSH: Yes.

Mr. DANFORTH: Because the grain is in the hands of a very few men in the east, would it be possible at times that artificial scarcities, or rumours of an artificial scarcity, could create a drastic increase in prices?

Mr. WALSH: I think it is possible, sir; it could be. I do not know just what effect the rumours would have. The chances are not as great now as they were before the co-operatives were in the business. They are sort of a leveller of these things, especially in Quebec and our area where we are up in the 35 or 40 per cent category.

Mr. DANFORTH: It would follow then—and I can understand this—that your recommendation in respect of administering feed grain policies would make it possible for adequate supplies to be on hand to take care of the normal trading. This is my understanding of your word "administer".

Mr. WALSH: We think that agency would sit down with the Canadian wheat board, the harbours board and the board of grain commissioners, to work out a formula whereby ample storage would be provided for bona fide users. It would be on a certain percentage basis in keeping with requirements; but it would prevent me, as a free wheeler from getting all the space so that you could not get in.

Mr. DANFORTH: I have one more question, Mr. Chairman, and then I will pass to someone else. I am sure others are interested in this. I am very much interested in the statement on page 2 where you say you were refused forward sales. Would you please elaborate a little on this. I think this is very important.

Mr. WALSH: That is the statement of Mr. Dernier who is the general manager. There was a problem for the Canadian wheat board. This year the situation was rather difficult and unique for them. They had a tremendous crop of wheat and the quality was extremely high. For feed, generally, we use the lower grades; all feeders do. I think what happened was that in their endeavour to get this freed and moving for overseas before the freeze-up, for some weeks they were not able to give us much consideration; one can understand that.

Mr. Dernier's point is, if they had accepted our purchases at the time we asked for them to be made—and they did not know they were going to have this kind of wheat at the time—we would have been buying a little more beneficially than we did two weeks later, or three or four weeks later. I think that is the point he is making. I am sure he is not trying to be very caustic toward the Canadian wheat board, but is pointing out that even the very righteous can slightly err at times.

Mr. DANFORTH: Would it be possible for grain merchants who are pretty close to the transportation facilities to in any way tie up or make impossible the procurement of sufficient cargo space to move your orders at the proper time; would it be possible to have a manipulation in this field; would it be possible for grain merchants to move grain for themselves in such a way that it would create the position you found yourselves in owing to the tie-up on the lakes, and that this could be the cause rather than anything which is under the jurisdiction of the Canadian wheat board.