

lbs. Therefore, the cost of the manufacture of balanced feed rations is determined much more by the higher prices of the protein feed than by the cost of Western grain. In any event, protein supplements and Soya meal cost double or triple the price of oats and barley.

The Canadian Federation of Agriculture has also demanded, in their brief, to take over the handling of the freight subsidy. This would be the best thing that could happen to Eastern wholesalers. The complicated system of claiming the freight subsidy and all connected paper work, requires an expensive clerical staff. The Canadian Federation of Agriculture does not seem familiar with the well-conceived freight subsidy system established by the Department of Agriculture since 1941. Wholesale grain merchants for twenty-two years have been obliged to advance the money for the freight subsidy payments, *without interest*, and have to maintain a permanent, experienced staff to file their subsidy claims at considerable expense. It means that all these operations, which benefit 200,000 Canadian wheat farmers, *do not cost the Treasury or the Eastern feeders a single cent.*

About 18 million dollars a year are reimbursed by the Treasury for freight subsidies which have been advanced during the year by about 100 wholesale grain merchants, without interest. About 80 million bushels of Western feed grain are used in Eastern Canada every year. This means that the wholesalers have to handle a minimum of 70,000 detailed freight subsidy claims yearly. To this have to be added probably an equal number of freight subsidy claims for formula feeds manufactured by the large feedmills—a particularly complicated operation. We shudder to think what chaos would result and what enormous costs would accrue if the proposal of the Canadian Federation of Agriculture to handle Eastern feed grain and the freight subsidies through a central agency, was put into effect. To make it clear and simple, the proposal of the Federation would only create chaos and involve huge expenses FOR SOMETHING WHICH EASTERN FARMERS HAVE BEEN GETTING FREE OF CHARGE FOR THE LAST 22 YEARS.

It seems that it would be impossible to find the large number of experienced people, who should be bilingual, (more than 50% of feed grains are consumed in the French-speaking Province of Quebec and part of Eastern Ontario and New Brunswick) to staff the "central agency". Also, the feedmills who manufacture feed and sell it to farmers at great credit risk, having to finance them completely "ad infinitum", do not deserve to be accused as being "speculators" or "profiteers". The demand of the Federation for a "central agency" therefore is basically an indictment of the management of their own members, particularly of the Western grain pools and the three central co-operatives in Toronto, Montreal and Moncton. If the four Western pools, in spite of their big line and terminal elevators and their capable management, have abstained from selling the grain they store in Western Canada and Fort William directly, without any intermediary, to the Eastern market or for export, it is simply because the profit which can be realized is far too small and the risks far too high—chances which the pools cannot take, as they administer the property of the Western farmers. It is equally wrong to minimize the efficiency of the management of the three big central co-operatives in Montreal, Toronto and Moncton (with about 700 affiliated co-operatives) who are well equipped to give the best possible service to the farmers. These old-timers do not need an appointed tutor to tell them how to run their business. It is equally unjustified to suggest that the privately owned enterprises, including the feedmills, abattoirs and secondary industries, do not do an excellent and sometimes thankless job in trading with Eastern farmers. AFTER ALL A PRIVATELY OWNED FEEDMILL IN THE COUNTRY, OR A WHOLESALE GRAIN MER-