

Mr. THOMAS: Or at some other convenient point, which could take care of the surplus of feed grain and wheat?

Mr. NICHOLS: I think Sarnia and Windsor as lake ports are the two logical points, and possibly Port Stanley might be another one. That would cover southwestern Ontario, and from there on towards Toronto they are close to the market; and if you could take and store it there at harvest time, and then move it out, I think it would solve the problem. We think there should be storage at Port Stanley, Windsor, Sarnia, and at Goderich, possibly. It is rapidly expanding in that area, and also particularly here at Montreal, so it could flow in a natural manner into eastern Canada.

Mr. THOMAS: I was somewhat disturbed over the suggestion made by the parliamentary secretary to the Minister of Agriculture that any freight subsidy on Ontario produced feed grain should possibly begin in the Montreal area. The subsidy on western feed grain of \$5 has its full impact on the grain producer in southwestern Ontario, and he feels the full impact. As far as I am aware the feed freight subsidy has no beneficial effect on the producer of grain in western Canada, but it does have full impact to the detriment of the grain producer in southwestern Ontario. Would you agree with that?

Mr. NICHOLS: Yes.

Mr. THOMAS: Would you agree that any subsidy on grain produced in southwestern Ontario should begin at a point of origin in southwestern Ontario?

Mr. NICHOLS: I agree with you. It has worked to the benefit of the consumer in the east. We do not want to take anything away from the east, but we do ask to receive equal treatment. We are penalized and jeopardized in this manner. But I heartily agree with what you said, and I am glad to put it on record.

The VICE CHAIRMAN: Are there any more questions?

Mr. DANFORTH: I have two short questions. One is supplementary to Mr. Roxburgh's question, and it has to do with storage facilities in that area. In your opinion—and this is for the record as well—are local grain brokers and merchants in that area thinking of developing new private storage facilities for corn there?

Mr. NICHOLS: Yes, but of course they do not use them entirely for corn. They may start out with coarse grain such as oats, wheat, barley, and so on, and then they try to get it moved out, and use that space for soybeans, white beans, and corn.

Mr. DANFORTH: Would it in your opinion be a fair statement to say that there is an increase in storage facilities there, but it has not kept pace with the explosion of corn production?

Mr. NICHOLS: That is right, and I would agree that they have not been able to keep up with it. I have mentioned that I was not too sure how it would work. The area I am referring to is Kent county, for example, and I believe it is not designated to receive assistance to build new elevators and to expand, and so on. But it should be extended to them.

Mr. DANFORTH: Would it be fair to say in the normal course of events, as far as it is economically feasible, that private firms there will eventually reach the capacity where they will handle the normal production of corn in that area?

Mr. NICHOLS: Many of these fellows today, I think, may be developing along that line. They may buy corn, soybeans, and a number of other crops this morning, and sell it in the afternoon. They have to have a lot of facilities just to handle their normal flow of business. Normally they are not storing it in their own elevators, but are operating just a handling process on the whole.

Mr. DANFORTH: It is an exchange proposition.