

to administer the policies. Is there any difference in opinion in there? Is it your opinion that it should be carried one step further?

Mr. WALSH: I am not too clear on that statement concerning the advisory capacity. I thought we were in complete agreement, and as I have already said the agency would do everything humanly possible to work with the existing agencies, the feed producers and handlers, to smooth out these things. However, we did ask that the agency be just like the Canadian wheat board, that they in turn work under an advisory committee that would be in close touch with the agency at all times.

Mr. DANFORTH: Then your interpretation is that the agency working in an advisory capacity only would lack the necessary powers, should they be necessary?

Mr. WALSH: My opinion is that the agency should have rather wide and firm powers and that they work under an advisory committee made up exclusively of farmers, such as stock feeders and purchasers of grain.

Mr. DANFORTH: We would have in effect two bodies, an advisory body representing the farmers and particular segments of the business concerned, and this proposed government agency with powers to administer. Am I correct in this assumption? Is this the picture you portray?

Mr. WALSH: I think that is right. We would have an agency, a government organization with administrative powers, and then the government would name an advisory committee to work with the agency on making policy and advising on things that the people need. The agency would be made up of purchasers of western feed grain and livestock feeders.

Mr. DANFORTH: I should like to carry this a little further. You are quite familiar with government departments. Would you envisage the agency as being in the civil service category and the advisory board being appointed by the government?

Mr. WALSH: I envisage it to be just like the Canadian wheat board. What we would like would be an agency just like the Canadian wheat board with an advisory committee attached to it.

Mr. DANFORTH: It was my understanding, when questioning the secretary of the Canadian Federation of Agriculture, that their policy was that this agency be in an advisory capacity only with no administrative powers.

There is another statement here in this brief which I should like to refer to. It deals with the fact that the Canadian feed manufacturers in eastern Canada are working on perhaps the narrowest margin of any manufacturing business in Canada. This puzzles me because the whole purpose of this committee is to determine why there is such a large discrepancy in price—and if there is one—between the western producer and the eastern feeder. And yet, each segment we have had in here, along the whole grain pipe line, has given us this same assurance, that their's is the smallest margin of profit mark-up of any business in Canada today. Now, we have reached the end of the pipe line and have received the same assurance, can you tell me whether there is in effect a large mark-up between the western producer and the eastern feeder, and if so, where does it occur?

Mr. WALSH: Now I am getting a little bit out of my field and we will get into some technicalities. I have said, and will support it, that the retail sellers of feed, the processors local and otherwise, work on very narrow margins, that is through the hundreds of little mills and distributors. You know how the purchases are made and the part which the Canadian wheat board plays in it. You know that there are agents in between there, brokers and agents, and that the delivery is finally made at some mill in the east where it is mixed into many kinds of feeds. There is a little thing there which can happen.