

Winnipeg shippers and the wholesale distributor, and the feedmills who supply the farmer. Here is a description of how grain is handled from the moment it is sold at the Lakehead by the Canadian Wheat Board. All shipments of Western grains to the East are concentrated at Fort William, the only port of departure for the boats crossing the Great Lakes. Although the Canadian Wheat Board operated only from *one single port and sells only in very large quantities*, they employ the services of about 20 appointed so-called Agents of the Board to sell, transport and distribute Western grain stored at the Lakehead instead of assuming the impossible task of doing everything themselves.

On the other hand, the proposal of the Feed Bankers, including the Canadian Federation of Agriculture, favours the establishment of a Crown agency in Eastern Canada which would have to sell and distribute feed grains in carloads or trucks, from elevators in about 20 Eastern ports, to not less than 1500 cooperatively or privately owned feedmills, etc., in the six Eastern Provinces.

Because feedmills in the country are short of cash and buy grain only when it is needed, to avoid carrying charges they take their grain at the last moment and only in the smallest possible quantity. There is no "superman" who can foresee how much grain and which grade is needed in any of these Eastern ports at any definite time. We have in Eastern Canada a number of districts which have a surplus of feed grain. This applies particularly to Ontario, where the production of corn and oats has increased considerably. Farmers in these areas are interested in a rise in the price of feed grain while farmers in other areas of course want feed grain at lower prices. In any event, the pattern of production and demand for feed grain is different in each Eastern Province. Is there going to be a "central" agency for each Province? All this precludes bulk buying in large quantities. Moreover, who is going to provide the funds to buy the grain before loading at the Lakehead, advance the freight, claim the freight subsidies and sell and distribute the grain without creating friction and discontent, and who is going to take the risk of anything going wrong?

We have, in the Province of Quebec, at least 600 cooperatively and privately owned feedmills and other buyers of feed grain and most of them, due to the sorry financial state of the farm economy, are obliged to buy feed grain on credit. Who is going to finance the country distributors (feedmills, etc.) and who is going to take the credit risk?

Talking about credit, I am prepared to give evidence, through the records and the balance sheets of our Company, that only 2% of the hundreds of privately owned feedmills and cooperatives who do business with us, are able to pay cash; all the others taking credit terms from 30 to 90 days. This in spite of the fact that our gross profit is about 1¢ per bushel or \$20 to \$30 per carload worth \$2,500 to \$3,000.

The 20 agents of the Wheat Board include the 4 large farmers pools in Manitoba, Alberta and Saskatchewan, and the United Grain Growers who also retain membership and seats on the Winnipeg Grain Exchange where all Western grain is handled. The prices of the Canadian Wheat Board, and also the quotations of the Winnipeg Grain Exchange, are published daily and reprinted in most Canadian newspapers. The grain loading costs at Fort William elevators, established long ago by the Board of Grain Commissioners, do not change but remain stable for years. Therefore, any buyer of feed grain in the East can check to the fraction of a cent how much profit a Winnipeg shipper is making on his grain, plus the cost of delivering the grain from the elevator to the boat. Also, water freight rates from the Lakehead to the East are common knowledge.