

Mr. PASCOE: Mr. Chairman, my question was along the line of Mr. Argue's on quotas. I think now I should go on record as resenting some of the remarks he made. I think we are all good wheat board supporters.

The CHAIRMAN: I think I gave my ruling on that.

Mr. FORBES: I understand the purpose of this investigation is to determine whether or not there are any unfair trade practices or discriminations against the feed mills in view of the changing agricultural conditions in western Canada. There is no doubt that the quota system has prompted farmers throughout Manitoba, Saskatchewan and probably Alberta to go into diversified farming in order to make sales of their grain. I think that is the purpose of this meeting; what position is the feed mill in. I have here an ad in the *Western Producer* of April 7, 1960. It says:

GOOD FEED WHEAT FOR SALE. Eighty five cents per bushel. Sample on request.

There are several other similar ads in here. Is that farmer allowed to sell him this grain? Is the feed mill allowed to buy that grain? This is what has brought down the feed market.

Mr. MONK: If you will be patient, I might explain that there are two types of feed mills. There is the type which is an agent of the Canadian wheat board. They are under agreement with us and they buy from producers in the same way an elevator does within the quota, issue a producer's certificate to the producer, and pay for the grain at board prices. At the end of each week, I think it is, on Friday, they buy from us the grain which they have used during the week and report to us the situation.

Now, that is the first type of case. The second type of feed mill is the type which does not have an agreement with the board. They are under no agreement whatever with the Canadian wheat board, but they are subject to the Canadian wheat board statute.

Mr. FORBES: Are all these feed mills licensed, or are some of them licensed and others not licensed?

Mr. MONK: That is a matter for the board of grain commissioners. Perhaps Mr. Milner can answer that question. But as far as we are concerned we do not issue licences to any of them.

Some of them have an agreement with us; as all the elevator companies do. The group which I was speaking about do not have an agreement with us, but they are subject to the Canadian Wheat Board Act. Nevertheless they do not have any agreement with the board.

That means that they can buy and sell within the province at any price they like; but they cannot ship interprovincially, or use commercial facilities or railway cars.

They are subject to quota regulations; that is, they must buy from the producer within his quota, and not over that quota. They must enter in the permit book the deliveries which they take, they take from the producers; but the price is a matter of negotiation between themselves and the producer.

They do not buy from the board, and there is no question about it because it is not board wheat that they have bought.

The question of enforcement arises in this way: in order to run a quota system equitably, we believe that quotas should be enforced equitably against all persons including the feed mills, because they are subject to the act. But they have an inducement. If they can buy over the quota, they may buy cheaply, because they buy from the farmer grain over his quota at depressed prices.

This particular group of feed mills are the only group in this position, because the ones who have an agreement with us are all bound by the agreement to buy or to sell at board prices.