

Mr. FANE: The final price for the lower and rejected grades is worked out according to what you get for those grades?

Mr. McNAMARA: Yes, based on our sales experience.

Mr. HORNER (*Acadia*): I asked Mr. McNamara this morning whether the wheat board thought these 122 non-agreement feed mills should be forced, or should be made to take out an agreement with the wheat board; and I think your answer was, "Not necessarily"—you did not really think they should be made to.

Are any of these 122 non-agreement plants large concerns who would desire to ship outside the province in which they operate?

Mr. McNAMARA: Yes, some of them are.

Mr. HORNER (*Acadia*): Would it not be to their advantage to take out the agreement then?

Mr. McNAMARA: That would be up to them. If I left the impression this morning they should be enforced, I did not mean that. I meant I did not think we should force them to be agents of the board, but I think they should be expected to and we should force them to live up to quota regulations.

Mr. HORNER (*Acadia*): I am sorry, that is the impression I got.

Another question I ask is: Why do not some of these take out an agreement and become agents of the wheat board, if to some extent it would be an advantage to them?

Mr. McNAMARA: Many of them do. I think the larger feed mills in western Canada are agents of the board, though there are still some fairly large ones that are not. It is up to their choice.

Mr. HORNER (*Acadia*): Would there be any other advantage of not joining, other than the fact they maybe can buy their grain cheaper, or are they not allowed to?

Mr. McNAMARA: If they are agents of the board they must buy at board prices.

Mr. HORNER (*Acadia*): If they are agents they must buy at board prices, under quotas?

Mr. McNAMARA: Yes.

Mr. HORNER (*Acadia*): And if they are non-agents they can buy at any price, but still under quotas?

Mr. McNAMARA: Yes.

Mr. KORCHINSKI: I was going to ask the same type of question as Mr. Horner asked.

Mr. MONK: If they are not board agents and the quota is enforced, the inducement to sell to them at less than board prices is probably removed, and they would be unlikely to be able to buy at less than board prices.

Mr. HORNER (*Acadia*): If the board enforces this regulation in a given period of time, or eventually, they will be buying at board prices?

Mr. MONK: Yes, because if a farmer has grain to sell there is no reason, if he can only sell within the quota, why he should sell at any less than he can get from the board.

Mr. HORNER (*Acadia*): There is the desire sometimes, on the part of some farmers, whether rightly or wrongly. The quota is not large enough and they want to sell and, perhaps against the regulations, they do sell.

Mr. JORGENSON: If a farmer has more grain than he has storage space for, would he not then, in lieu of building additional storage, at some expense to himself, be better off if he were able to sell this grain to a feed mill and get it in storage and off his hands?