

our only interest is that their purchases are in accordance with the quota. They do not have to purchase at the board's price nor do they have to account to us; but we check to see that the quota regulations are being adhered to.

Mr. HORNER (*Acadia*): In cases where charges had been laid and prosecutions made how were the feed mills violating the act?

Mr. McNAMARA: They were accepting grain from producers over and above the quota and in some instances were accepting grain not grown on the land described in the permit book. Also in many instances they were not making entries in the producer's delivery permit book when they accepted delivery of the grain.

Mr. BRUNSDEN: According to the bureau of statistics, in 1957 the volume in the feed mill district was around 3½ million bushels. That is not all wheat; that is divided between wheat, oats and barley. It is suggested that in this that it may run up to seven million bushels. I do not know whether or not that is a realistic figure. I would like to know roughly what amount of this 3½ million bushels was purchased in 1957 with the full licence and approval of the board.

Mr. McNAMARA: Mr. Chairman and Mr. Brunsten, it is impossible for us to give you definite figures, because the information is not available. We do estimate that the large bulk of the wheat, oats and barley purchased by feed mills was purchased in accordance with board regulations. The volume of grain we handled which is used by these feed mills is not very large, but if you have a small hole in a bucket, the bucket leaks and it is not as good for carrying as it was before; so it does affect our overall position.

Mr. BRUNSDEN: I might have to challenge that statement later on.

Mr. McNAMARA: All right.

Mr. BRUNSDEN: I do not agree with the previous suggestion that some persons are trying to destroy the wheat board—

Mr. ARGUE: That is what will happen if you put the hole in the bucket.

Mr. BRUNSDEN: We all are established supporters of orderly marketing of wheat, but I fail to see how a trickle—and it is not even a trickle: granted it is seven million bushels of wheat, oats and barley—can disrupt Canadian marketing. I have used a poor bucket for a long time and it is still a good bucket. I am not interested in feed mill men. I am interested in some producers getting a little larger immediate market for their grain than they have now.

Mr. McNAMARA: As I indicated earlier, the volume is not large, but as I advised the committee the producer who is fortunate enough to deliver grain over the quota to the feed mill, and at the same time deliver his regular quota of grain through other commercial channels, has an advantage over other producers who are not fortunate enough to be able to market over the quota. If the mill takes grain over the quota it impairs our ability to merchandise board grain in that area and it reduces the potential board market of feed within the designated area.

Mr. BRUNSDEN: But you admit potential production has no bearing.

Mr. McNAMARA: It is small compared with what we handle, but I think it would have a serious effect in the overall plan. I think when a bucket starts to leak you have a difficulty and have to put in perhaps one plug, and then another plug. I think we might have repercussions outside of the designated area. In eastern Canada and the British Columbia feeding area, the domestic market, is most important to us in merchandizing oats and barley as feed. If the feed mills in some areas secure grain at prices below the prices at which the board is selling, I would suggest there might be demand from other areas of Canada to have the right to purchase grain at below board prices.