

contained in the Canada Grain Act was added to the Canadian Wheat Board Act to include each and every one of the grain elevators or mills mentioned or described in the schedule to that act.

In 1950, section 39 of the Canadian Wheat Board Act was amended. Section 39 (now section 45) was re-framed to include as works for the general advantage of Canada, all flour mills, feed mills and seed-cleaning mills whether heretofore constructed or hereafter constructed. The schedule referred to in that section was amended and listed flour mills, feed plants and seed-cleaning plants in Manitoba, Saskatchewan and Alberta. As a result, the board was empowered to control the deliveries of grain into the principal facilities available for that purpose.

Members of the committee have before them copies of the Canadian Wheat Board Act, and I would like to call attention to section 45, to which I have referred, and to the attached schedule which lists flour mills, seed-cleaning mills, feed mills and feed warehouses as works for the general advantage of Canada.

I have outlined briefly the powers conferred upon the board by Parliament to regulate deliveries of grain and flaxseed. You will, of course, wish me to relate these powers to the operation which the board carries on under the Canadian Wheat Board Act. The board is incorporated with the object of marketing in an orderly manner in interprovincial and export trade, grain grown in Canada and by the statute and the regulations is instructed to undertake the marketing of wheat, oats and barley produced in the designated area in interprovincial and export trade.

Orderly marketing is achieved by the quota regulations established under the act. These enable the board to ration delivery opportunities equitably among producers and thus the produce of the crop is divided on the same equitable basis. The board also uses these controls to regulate the intake of grain into all channels of the marketing system including grains which the board does not purchase so that currently marketable grains can be received when needed and moved forward for sale and grain for which there is no present market can be kept out of the system.

In the view of our board the essential feature of the marketing scheme established by the statute is the equitable rationing of delivery opportunities and the ensuring that, as far as possible, all producers will get the same basic price at the same time for like, kind, grade and quantity of grain. Equal delivery opportunity is a basic feature of the scheme. In their application to feed mills the controls are used to equalize delivery opportunity and to protect the board's marketing.

If a producer may sell a portion of his crop to a mill for flour, feed or seed, outside of his quota, he would then be able to deliver to the other channels of the marketing system grain up to the amount of his quota and thus achieve an advantage over less fortunate producers who were not able to get their grains into the local flour, feed and seed outlets.

It must also be kept in mind that, while the board is bound to market for producers certain grains in interprovincial and export trade, it is itself a prospective seller to all in the milling trades and the board, in some instances, may find itself in competition with grain offered to feed or flour millers by producers.

Experience has shown that if mills are allowed to buy outside of the quota, usually they purchase grain which is in excess of a producer's quota from producers at prices less than the board would sell equivalent grain to them and to this extent the marketing opportunities of the board are impaired. This operation has the result that the mill in question is enabled by this procedure to compete with millers who have purchased board grain at board prices with