

Deliveries of Grain to Feed Mills

The position which has developed is that there have been, and continue to be, two different types of operation of feed plants. One type of operation has elected to have an agreement with the board and conforms with the Canadian Wheat Board Act and provincial legislation; another type of operation does not have an agreement with the board and does not operate in strict conformity with the Canadian Wheat Board Act and provincial legislation. Under the latter type of operation, feed mills may acquire feed grains at a discount under board initial payments.

Feed plants which operate under an agreement and in conformity with the Canadian Wheat Board Act and provincial legislation claim to be at a disadvantage, in that by agreement with the board they are required to buy at board prices and issue producers' certificates, all within the quota. They have repeatedly brought their case to the attention of the board and the government.

According to the records of the board there are 182 feed plants operating in the prairie provinces. These feed plants fall into three main categories, as follows:

- (1) Plants operated by large mills, with agreements with the board;
- (2) Plants operated by elevator companies, with agreements with the board;
- (3) Independent plants which, with a few exceptions, do not have agreements with the board.

Of the 182 feed plants in the prairie provinces, 60 have agreements with the board and 122 do not have agreements. By provinces they are distributed in this way; those which have agreements with the wheat board comprise 17 in Manitoba, 14 in Saskatchewan and 29 in Alberta, making a total of 60. Plants which operate without having signed agreements number 30 in Manitoba, 10 in Saskatchewan and 82 in Alberta, for a total of 122.

In January, 1958, the Alberta, Saskatchewan and Manitoba division of the Canadian feed manufacturers' association submitted a brief to the government of Canada. The main point in their presentation reads as follows:

The three provincial divisions of the Canadian feed manufacturers' association who submit this presentation now firmly request that existing regulations, whether statutory or administrative, be amended so as to permit feed manufacturers or processors of feed grain to purchase feed grains directly from producers free of quota restrictions, and at prevailing prices on the basis of supply and demand, for processing and resale within the province in which the grain is grown.

In July, 1958 the position of the feed mills was referred to the advisory committee of the Canadian wheat board. The board

discussed the requests which had been made for virtual decontrol of the feedstuffs industry and its policy of taking effective action to apply delivery quota policy to feed mills. It was the view of the advisory committee that the provisions of the "exchange" policy instituted by the board in June, 1957 were adequate, and that the board should proceed with its policy of enforcing the Canadian Wheat Board Act as far as feed plants were concerned.

The next step was a consideration of this question by the agriculture committee of the House of Commons last year, and in its report to the House of Commons dated Wednesday, July 15, 1959 the standing committee on agriculture and colonization included the following paragraph:

The committee further recommends that the whole question of feed mills and their position in the grain trade should be clarified and, if necessary, new legislation introduced.

This, briefly, is part of the background of this situation in the prairie provinces. It appears to be a subject which could usefully be studied by the committee, and in view of its report of last year we are now bringing the matter forward. The committee has power to send for persons and papers. Consequently all interested parties may appear and make presentations. I think this will be very useful in order to clear up any misunderstanding with regard to the operation of the delivery quota system; in order to clear up any misunderstandings there may be with regard to the operation of the feed mills and, in general, with regard to marketing operations as conducted by the Canadian wheat board under the authority of the act. The committee on agriculture and colonization will have ample opportunity during the rest of the session to consider this matter fully and make such report as seems advisable for later consideration by the House of Commons.

Hon. J. W. Pickersgill (Bonavista-Twil-lingate): As I listened to the minister I gathered, and I confess I did not recollect this myself, that the committee last year recommended that there should be legislation.

We, of course, have no objection whatever to the motion to refer this subject to the committee. It seems a reasonable thing to do. However, I am surprised that in view of the recommendation which was made last year the government has not some statement of policy of its own with respect to this matter to lay before the house. I would hope that the minister, in replying at the end of the debate, would indicate to us precisely what are the views of the government with respect to this subject, because it seems to me the