

Mr. McNAMARA: No, I have no knowledge of that.

Mr. FANE: Mr. Chairman, I want to go on record first as resenting any implication that we who are farmers are trying to wreck the wheat board when we ask questions in connection with this matter. I, for one, would be the last person in the world who would ever think of wrecking the wheat board.

I have several questions, and the first one I want to ask is this. It may have been mentioned, but I missed it. How can you reconcile the fact that some feed mills are licensed and some are not? How can you make fish of one and flesh of another—and they are doing the same work?

Mr. McNAMARA: As Mr. Monk explained, we do not license them. But I think what you have in mind is, how do we reconcile that some act as agents for the board, and some do not.

It is their choice. If they wish to become an agent of the board, they enter into a contractual arrangement with us, whereby they agree to buy only for board account, to pay board initial payment prices, and to issue producers certificates. And, of course, they buy within the quota, or they are prosecuted for not doing so.

These other feed mills who do not elect to buy for board account are not responsible to us at all in so far as price is concerned. We do not allow any carrying charges on the grain they handle: all we insist upon is that their operations must be within the quota regulations.

Mr. FANE: You would say that any feed mill in Canada could apply to you for recognition as a wheat board agent?

Mr. McNAMARA: That is right.

Mr. FANE: Any one?

Mr. McNAMARA: That is right—within our designated area.

Mr. FANE: And that would make it possible for every one of them, if they were willing to make a contract with the wheat board, to have the same privilege?

Mr. McNAMARA: Yes, they could buy for account of the board.

Mr. FANE: Now I want to ask how you can reconcile the fact that the majority of the implement dealers in western Canada can take in grain, wheat, or anything else—any other grain—on their accounts, not issuing wheat board certificates, and the other people are under the compulsion of issuing wheat board certificates.

How do you reconcile that, and what do they do with it? They do not sell it through the wheat board; they do not pay wheat board prices; they do not pay the P.F.A.A. one per cent. They just take it in at a reduced price, and then they dispose of it and get the gravy off that, as well as the gravy off their commission for selling their machinery.

Mr. McNAMARA: They cannot sell it in commercial channels; they cannot put it into elevators. The only market opportunities available for them are local feeders within the province.

I think this might be a case where we should take some legal opinion with regard to this type of operator.

Mr. FANE: Does it work that way? I do not think so.

Mr. McNAMARA: Pardon me?

Mr. FANE: I mean, I do not think it works that way.

Mr. MONK: The situation is this, that as far as the constitutional position is concerned, the dominion government has not the power to control sales wholly within a province that do not use commercial facilities that are declared to be works for the general advantage of Canada.