

Mr. McNAMARA: April 25 is the date of the last statement, and some changes have been made since then. This concerns three provinces. There are 41 stations on a two-bushel quota; 641 stations on a three-bushel quota; 613 stations on a four-bushel quota; 444 stations on a five-bushel quota; 267 stations on a six-bushel quota; and at this time there are two stations in the British Columbia block on a seven-bushel quota.

If you would like a comparison with last year, I can give you the figures.

Mr. McINTOSH: I want to bring out the point that in regard to some stations there is only a two-bushel quota, and I want to know why there is only a two-bushel quota when there are a great number of stations on a five and six-bushel quota. Is it fair to those areas that are on a two-bushel quota, when other areas have five or six-bushel quotas?

Mr. McNAMARA: I would say that it is not fair, on the basis of an equitable operation of a quota system.

Mr. McINTOSH: That is the very point I want to bring out.

Mr. McNAMARA: I would like, if I may, to supplement what I have just said. The reason for this inequity, particularly this year, was due to the adverse harvest conditions experienced in western Canada last fall, where many areas had heavy moisture at the time of harvest. There were large quantities of grain thrashed with a heavy moisture content—tough and damp grain. The board decided quite early in the fall, before the harvest was completed, that in order to endeavour to salvage this grain that had been harvested with high moisture content it would be necessary to move this grain to the interior terminals, as well as the terminals at Vancouver and the head of the lakes for drying. This policy was followed during the winter, with the result that we handled 60 million or 75 million bushels of out-of-condition grain—grain graded damp or with a high moisture content.

We allowed the producers to deliver up to six bushels of this type of grain. Except for a limited quantity in the province of Alberta, the bulk of this out-of-condition grain has been delivered by the producers to the level of the six bushels, and shipped to the terminals, where it has been dried and conditioned. However, the preference of box cars into this area had the effect of retarding the deliveries in southern Saskatchewan and in Manitoba, and in parts of Alberta with the result the quota system was thrown distinctly out of gear.

We have many points where producers have now delivered a full six-bushel quota, and at the time of this report there were still 41 stations in western Canada where they had a delivery quota of two bushels.

This situation is improving very rapidly now. Since the opening of navigation we have been able to persuade the railways to preference cars into the areas where quotas are low. Certainly the policy that was adopted by the board—which I think was the only policy we could have adopted under the existing circumstances—did result in a wide discrepancy in the quotas, to which Mr. McIntosh referred.

Mr. ARGUE: Mr. Chairman—

Mr. McINTOSH: Let me finish my question, Mr. Chairman.

Mr. McNamara, would you not say that each year there have been inequities, and you have made an excuse or an explanation for them? From that would you not say that the quota system, as run by the board at the present time, is not fair and has not been proven by any means? In areas where you have five and six bushel quotas, are those all areas where you consider damp grain?

Mr. McNAMARA: First of all, I would agree there are always inequities, to some extent, in the administration of quotas. In the past I do not think we have endeavoured to make excuses, but to give reasons for the inequities.