

That is perfectly legal, as I understand it, under the regulations of the wheat board. In other words, they do not fall into the same category as feed mills. And I want at this point to impress upon you my view that these people should be kept free; that they should be permitted to buy their grain where there is no merchandising or reselling of it, but where they are using it for feed purposes of their own.

That is the claim in western Canada that they give to me, and they ask that in our deliberations we make doubly sure not to do anything to interrupt that flow of wheat to the feeder.

I would like to have clarified in my mind what you mean by feed grain? Is that No. 4 and less, or does it mean any grain?

Mr. McNAMARA: It means any grain. There is no definition. Sometimes they feed No. 2 northern, or No. 3 northern. The bulk of it of course is oats and barley. There is no definition of what constitutes feed grain.

On your point of federal jurisdiction, we have no legal way of following up, within these provinces, from one producer to the feeder, as long as it is not another work for the general advantage of Canada. That is where the federal control comes in, in the railways, elevators, and feed mills which have been named. But as far as sales from one producer to a feeder are concerned, say in the province of Alberta, that is outside federal jurisdiction. As I mentioned earlier, the provincial legislators passed legislation that gives them power to control this, but so far none of the three prairie provinces has seen fit to exercise that control. But this is outside the jurisdiction of the board; whereas the feed mill, having been declared to be a work for the general advantage of Canada, is within the jurisdiction of the board.

Mr. McINTOSH: Are feed mills in areas where the quota is only two bushels, allowed to take only two bushels, regardless of whether it is open in other parts of the province to six bushels?

Mr. McNAMARA: That is right; the same as all other facilities at that point. They can only take the amount of the particular quota at that point.

Mr. McINTOSH: If there is a shortage, what would you do—would you have to ship in?

Mr. McNAMARA: If there were a shortage, the quota would be increased. If there were a shortage of grain marketable in that area, we would raise the quota of grain to allow more grain to come in.

Mr. JORGENSEN: Where, generally speaking, would you say that mills not having agreements with the board are located? Would they be in heavy feeding areas?

Mr. McNAMARA: Yes, I think that is true. The bulk of them are in Alberta and Manitoba. There are a limited number in Saskatchewan. In Manitoba and Alberta they seem to be located in the areas of heavy feeding of livestock, no doubt because there are the market potentialities for them.

Mr. JORGENSEN: You have said that since 1957 feed mills in western Canada have been buying grain outside the wheat board; that is, at non-board prices.

Mr. McNAMARA: Some of them have, yes.

Mr. JORGENSEN: Do you know what relationship these prices bear to wheat board prices?

Mr. McNAMARA: No, we do not get accurate records from them. But from information that has been made available to our inspectors, some of the grain has been purchased at the initial payment price, and some purchased at prices substantially below our initial payment prices.

Mr. JORGENSEN: Do you know whether or not these lower prices have been passed on to the feeders themselves?