

Canadian Livestock Feed Board

It must be remembered that the western feed growers are far from markets and this naturally places them in a relatively poor position. Has the minister looked into this problem of what difference this bill might make to the relative positions of the eastern and western livestock feeders?

Mr. Sauv : Inasmuch as the actual policy is to pay the transportation cost of the feed grain from Port Arthur and Fort William eastward or through British Columbia, the position of the western feeder will not be affected as long as the same policy applies. The problem that you raised is a much larger problem than the one posed by the creation of this feed grain agency. It is a problem of national agricultural policy which I mentioned earlier, but which is not the objective of this special bill on the creation of the feed grain agency.

Mr. McCleave: Mr. Chairman, I would like to ask the minister two questions. In the first place I should like to ask him whether I am correct in my understanding that the operation of this act is intended to apply only to the movement of feed grain by rail transportation to eastern Canada, or whether the act in its operation will also cover the movement of such grain by water? For example, I am thinking of movements from Fort William and Port Arthur into the ports of Halifax, Saint John, Quebec city and for that matter Montreal.

Mr. Sauv : It is not restricted to one means of transportation. All means of transportation are open and they all come under the authority of the board.

Mr. McCleave: I thank the minister for that assurance.

My other question, Mr. Chairman, relates to distribution centres. Have the distribution centres for the different areas been already chosen or is this to be decided upon by the board upon its establishment?

• (3:40 p.m.)

Mr. Sauv : No decision has been taken on this, Mr. Chairman.

Mr. Thomas (Middlesex West): I should like to support the contentions and arguments put forward this morning by the hon. member for Kent (Ont.), to the effect that the producer of grain in southwestern Ontario should have his interests adequately protected. Ever since the feed grain freight subsidy was established back in the war years, the

producers of grain in southwestern Ontario, which is an area of very substantial feed grain production, have been operating under a serious handicap.

The feed grain subsidy on grain imported into that area, which competes with the locally grown product, amounts to about \$5 per ton and this, in turn, amounts to about a quarter of a cent per pound. Now, a bushel of wheat weighs about 60 pounds, so the decrease in price which the farmers in the area can expect on their feed wheat is about 15 cents per bushel. A bushel of corn weighs 56 pounds, so there will be a reduction in price of 14 cents there. A bushel of oats would be reduced in price by 8.5 cents and a bushel of barley by 14 cents. There is no surplus of oats or barley produced in that area, but there is a substantial surplus of corn and of wheat produced in that area.

Now, I should like to point out to our western colleagues that at least some of the cost of operating the wheat board is carried by the government. The wheat produced in Ontario is a special commodity in that it is soft wheat and not much used for bread purposes but is used in the production of pastry flour. However, only about one third of the wheat produced in Ontario can be used for this purpose and approximately two thirds of the production of Ontario wheat has to go into the feed market. Over the years, this surplus wheat produced in Ontario has had to compete with feed wheat shipped down from the west under approximately free freight. The wheat producers in southwestern Ontario have this 15 cents a bushel handicap.

There is a great deal of corn produced in the area and corn is in direct competition in the feed markets with barley. Therefore every bushel of corn produced in that area also suffers under a handicap of 14 cents per bushel. There has been no great complaint about this handicap on corn and wheat over the years because much of it is fed in the area. However there is a substantial surplus of corn and wheat which must be marketed.

The Wheat Board of Ontario which markets this soft wheat deducts 15 cents per bushel on every bushel of wheat grown in the area which the board markets. The cost of marketing this surplus wheat is paid by the wheat producers themselves. There have been requests made through our standing committee on agriculture for some provision for carrying this surplus corn and wheat further east in Ontario and further east in Canada where it is marketed for feed purposes. I