

Adjournment Debate

The Department of National Defence in its requisitions for beef supplies in Canada has in the past stipulated grade B beef, but that if grade B beef was not available, grade A would be supplied. Grade B beef has not been available in the large quantities required by the department, particularly from the smaller packing plants, and as a result most of the orders were filled by grade A beef.

Also, because the smaller packing plants could not supply grade B beef, only major plants such as Canada Packers tendered bids for contract which eliminated competition for bidding to a great extent.

In view of this situation it was decided, in consultation with the Department of Agriculture—

Mr. Paproski: The coolers are full.

Mr. Hopkins: The hon. member's colleague wants an answer, Madam Speaker; hon. members had their chance to speak.

In view of this situation it was decided, in consultation with the Department of Agriculture and the Department of Industry, Trade and Commerce, to change the specification for beef purchased by the Department of National

Defence from grade B to grade A to increase competition by opening the door for smaller regional packing plants to participate in bidding for national defence beef contracts. However, this decision did not apply to all types of beef. Ground beef contracts are continuing to be specified as grade B beef, and veal as grade C.

The cost factor was considered prior to reaching a decision on the change of specification. The price differential between grade A and grade B beef averages 3 cents per pound which, on a carcass of 550 to 600 pounds, results in a total price difference of \$16.50 to \$18 per carcass.

In summary, the change of specification from grade B to grade A beef for only certain types of beef, was made to stimulate competition and to permit smaller regional packing houses to participate in bidding for National Defence contracts and also because the smaller packing plants did not supply grade B beef. Only the major plants such as Canada Packers tendered bids on contract, which eliminated competition for bidding to a great extent. The policy was changed to prevent this from happening.

Motion agreed to and the House adjourned at 10.17 p.m.