

Canadian Livestock Feed Board

Mr. Olson: Mr. Chairman, perhaps clause 5 relates as much to the powers of the board as to its objects. I think the situation regarding large commercial users of feed grain and integrated operators in eastern Canada is a matter of concern not only to the government but to western producers of livestock. If the object of the board is to assist the filial farms, if I may call them that, or the small producers who depend on the production of livestock for their living that is one thing, but if by setting up these regulations, subsidies and so on the majority of the benefits will go to integrated operations to the detriment of the local livestock producer in Canada I believe that the board will have defeated its own purpose and will do a disservice to Canada rather than a service.

• (3:20 p.m.)

Therefore I wonder whether the minister would consider the institution of a system of quotas for the purchase of feed grain that is subsidized. I am not suggesting that such a system be included in the statute we are now setting up but perhaps it could be included in the regulations. There is certainly plenty of precedent for quotas in the operation of a public board of this nature. Everyone in Canada who is familiar with grain buying and selling knows very well that in the operations of the Canadian Wheat Board very severe quota restrictions are set up so that the total market is evenly distributed among all producers. At the beginning of each season, regardless of the size of the farm, whether it is 100 acres or 5,000 acres, a certain number of units are authorized for delivery. At the present time I believe the quota is something like 400 bushels of wheat or 100 units, each unit being worth 4 bushels and 6 bushels of barley or whatever the product happens to be. This system does in fact distribute the benefits of this public corporation.

I have no objection to integrated, commercial users of feed grain or anyone else setting up business in eastern Canada if they think they can produce economically for a market, but I think it would be unfair if they were to make large profits because under laws passed by this parliament they received subsidies which were intended to help the small producers. After all, Mr. Chairman, it is pretty elementary to realize that we are not making the best use of our manpower and other facilities if we are shipping cattle from western Canada to the east and paying freight on the live animals, on the feed and so on. The

[Mr. Sauv .]

cost involved in this operation is higher than is the case when the cattle are raised and the feed grain is grown in the same area.

I have no objection to some form of subsidy or assistance being paid to the smaller, bona fide livestock producer. However, I would hope that we will not find ourselves facing a real problem, namely, that of large commercial users deriving the greatest benefit from the payment of this subsidy. If this were to be the case, there would be very serious objection from the beef producers of western Canada by reason of their having to compete with a subsidized operation in another part of Canada, particularly when that subsidized operation is not part of the regular farming community.

I say to the minister also that this is not simply a philosophical or academic problem. It is happening. There are large beef producers in western Canada at the present time who have acquired feed lots far enough east so they may buy subsidized feed. Instead of feeding their cattle in western Canada, where it is most economically done, they are taking the cattle that would ordinarily be fed there and shipping them to the feed lots in eastern Canada because they can buy subsidized grain. Because of the proximity to the large markets of Montreal and Toronto it is more profitable for them to do this. The reason it is more profitable is that the public treasury is subsidizing them.

While I do not think this practice is widespread at the moment, I can see that if we do increase subsidies for the purpose of assisting smaller farmers it will become a widespread practice and will defeat the whole purpose of the bill in that this type of competition will be encouraged. Therefore, Mr. Chairman, I would ask the minister whether he is giving consideration to the distribution of a quota book or permit book such as is used under the Canadian Wheat Board, whereby a farmer can buy so many tons of subsidized feed, or will some other method be instituted to ensure that the aim of assisting the smaller livestock producers in eastern Canada will in fact be achieved?

Mr. Sauv : Mr. Chairman, we are as much concerned about this problem as the hon. member for Medicine Hat. We are concerned about very large feeders using public funds for their benefit. Certainly through the regulations of the board it will be possible to cope with these problems either by establishing quotas or restricting the application of policy in a different way as between the large