

make a decision we want to know that any reduction would not drive the stockyard companies out of business.

Hon. Mr. BUCHANAN: To what extent have ocean rates come down?

Hon. Mr. WEIR: The rates on cattle over 1,000 pounds were \$15, on those under that weight \$13 odd. Those rates have come down to \$12 and \$10.80 respectively.

Hon. Mr. SINCLAIR: Mr. Weir, a moment ago you referred to the probability of your department putting in accountants to check up the overhead of the stockyards. Has any definite step been taken yet in that direction?

Hon. Mr. WEIR: No.

Hon. Mr. SINCLAIR: Can that be done at once?

Hon. Mr. WEIR: We are going to meet those people and put it up to them again. We want their goodwill, we want them to realize that all we desire is something that is fair and reasonable. I think when the railway situation rights itself there may be a readjustment of cattle rates; but the railways are in such financial straits now that they not want to make any drastic move along that line. The railway companies have been very fair in giving us special rates where we could show them there would be an increase of trade, and no misuse of those special rates.

Hon. Mr. GILLIS: I suppose you are not in a position to state definitely whether the grower of the animal will be the beneficiary under the stabilization fund. Of course, it is a matter of policy, but stock raisers all over Canada are extremely anxious to know.

Hon. Mr. WEIR: We are anxious that the benefit should go to the farmer. Suppose, senator, you have a shipment of twenty head of cattle, and by way of assistance we agree to reimburse you the whole of the freight. Whether you ship direct or not the commission man buys your cattle. The commission man, knowing you are going to get this rebate, pays you that much less for your cattle. But let me put it this way. If the commission man knows he himself is going to get the rebate, he also knows that he can afford to pay you around ten a head more, so he goes on the stockyard and bids that much more. Naturally this will raise the whole price level. I believe this will be the effect of the stabilization fund.

This is a very simple thing to check with respect to livestock, because we know the rail freight, the stockyard charges, the ocean charges, the wharfage charges at the other end, and the accepted commission for selling over a period of years. Therefore it is perfectly simple to ascertain whether or not that rebate will be reflected almost in toto to the farmer.

Perhaps I may touch on the subject of bacon for a minute in this connection.

The CHAIRMAN: Sure.

Hon. Mr. WEIR: For a year we have kept very accurate graphs in my department setting out the price in the Old Country of live hogs and of finished bacon, and the quality of the bacon. We have also kept accurate graphs for corresponding dates of the price paid for our bacon on the hoof and the packers' price for finished bacon in Canada. That picture shows us whether the packers here are paying higher than the basis of the Old Country market or lower on the average. It was very surprising to me—I must confess I was rather prejudiced when I started the inquiry—to see how quickly the market here responds to the change in the Old Country market when we are on an export basis. During several months last year we believe that our packers were paying a higher price than the Old Country price would warrant; but they felt, as business men, that they should still keep their contact with the Old Country in the hope that the market would rise through the quota scheme. As soon as the stabilization fund was announced the price of our bacon in the Old Country jumped to 75 shillings a hundredweight—that is, 112 pounds.