

*Canadian Livestock Feed Board*

**Mr. Jorgenson:** In that case, Mr. Chairman, it seems to me—and I do not wish to enter into a debate on the transportation legislation—that in view of the minister's answer it will be possible to effect all sorts of subsidies by simply calling them subsidies to somebody else rather than to the railways. If that is the case, the effect of the transportation legislation will be completely nullified.

**Mr. Sauvé:** No, Mr. Chairman. This has never been a subsidy to the railways. This is included in the bill that the feeder receives. He receives a bill for the total amount of his order and there is always an indication of "less subsidy for transportation". It is deducted directly from the bill. The railways are not affected at all by this provision. The railways do not know directly anything about the \$19 million or \$20 million that we are spending here because it is the brokers and the dealers who receive the subsidy, not the railways.

**Mr. Jorgenson:** I understand the minister's point perfectly, but the point I am attempting to make is that in future subsidies to the railways, and I still say they are subsidies to the railways in a sense, can be camouflaged in many ways by suggesting that they are subsidies to somebody else. Therefore the effects of the transportation legislation will be nullified.

**Mr. Sauvé:** More of this commodity has been moving east by ship than by rail, so there could be an argument on whether it is a subsidy on rail or ship.

**Mr. Muir (Lisgar):** Mr. Chairman, I should like to ask a related question on clause 16 (1) (a). On Friday last we were discussing transportation and I suggested to the minister that it would be cheaper to move this commodity by boat. The minister said that an arrangement was being made whereby the railways would transport it at the same cost. Would the minister give us some details of this plan?

**Mr. Sauvé:** Yes, Mr. Chairman. The two national railways have proposed agreed charges to the maritime feed manufacturers on certain quantities on a year-round basis. They have offered the same thing to the Quebec feed manufacturers. These rates are competitive with water transportation and other transportation costs.

**Mr. Muir (Lisgar):** This is from Fort William only?

**Mr. Sauvé:** Yes, from Fort William.

[Mr. Sauvé.]

**Mr. Kindt:** Mr. Chairman, paragraph (a) of clause 16 provides that these funds are to be used for the cost of feed grain transportation and any other costs that are involved. Then there is a reversion to the equalization of prices between east and west. In other words, the minister has devised a system to pool and use the taxpayers' dollar to overcome the geographic and economic advantages of location in relation to feed supplies. He may be able to justify it, but I certainly cannot understand this provision. The people in western Canada and British Columbia are close to the supply, and if they take advantage of this fact and purchase feed from the Wheat Board or from whatever source it is available and then have to pay the shot for the equalized cost for eastern feeders, I can see that the feeders in British Columbia will be coming before the advisory committee to register their complaints.

• (5:30 p.m.)

**Mr. Sauvé:** I explained in detail the problems of Canadian agriculture and the problems of the feed grain board on Thursday and Friday when I introduced the bill. I never said that Bill C-218 would solve all the problems of eastern agriculture. This bill is only a part of the national agricultural policy which has to be arrived at by agreement between the provinces and the federal government. I do not want to repeat all that has been said but we are implementing through this board policies which have been voted for by parliament since 1941. We are therefore not changing anything except to try to improve the situation of feeders in eastern Canada and British Columbia. This will not alter the pattern of agricultural production in this country.

**Mr. Kindt:** Has the minister any figures in front of him which would portray to us the method which he intends to use in the equalization of prices between eastern and western Canada?

**Mr. Sauvé:** What we have done so far and what we intend to do is to try to pay all transportation costs—we have a special definition for transportation costs—from Port Arthur and Fort William to eastern destinations. This would in effect bring the grain to its destination at the same cost to the farmer as if he had bought it at Fort William.

Clause agreed to.