

country, and if we are going to subsidize the movement of that grain away from those areas of production, it means that the livestock sector in western Canada is going to be disadvantaged. This is not good, not only in terms of the country but also in terms of our ability to maintain a stable and healthy economy in western Canada. As I said previously, in my mind the key to having a stable economy is to have a diverse economy, and that means a healthy livestock sector which is able to take up the excess production when we are in times of good crops. Moving feed grains away from those areas with government assistance is not doing anything in terms of maintaining a stable livestock industry in western Canada.

While I wholeheartedly support the principle of this bill, because I realize that it is very expensive to live with high food costs in the Northwest Territories and the Yukon Territory, I would much sooner see this problem of high costs of food attached as an over-all policy whereby feed freight assistance would simply be one part of an over-all policy to encourage more efficient production in that area of the country. Again I have to emphasize the potential of that area to feed itself and, in fact, perhaps even to become a net exporter of certain agricultural products. This is something to which I do not think the present government has paid enough attention.

When it was my pleasure to be part of the previous government and to support the then minister of Indian affairs and northern development, he took it upon himself to see that some of these lands were brought into agricultural production. Had we remained in power, it is my understanding that the objective was to have some of that land in production for the current year 1980. To my mind that would have been an eminently sensible thing to have happen because it would have given that area of the country a chance to become a contributor to the country rather than simply a benefactor of a program like this which, if it is to be used—and I am sure it will—will simply make the production of livestock in the area dependent upon this kind of feed freight assistance.

Again I say that while I have no problems in supporting the bill, I would like to see the development of the north also a priority of this government, and I would also like this government to see that when it has subsidies and stabilization payments made available to different sectors of the economy that it is done in such a way that it does not distort the comparative advantage in the efficient areas of production in our country.

**Mr. Stan Schellenberger (Wetaskiwin):** Mr. Speaker, I want to make a few remarks on Bill C-15 with regard to feed freight assistance. The Canadian Livestock Feed Board was established in 1967. At that time a number of farmers in eastern Canada and British Columbia were having difficulty getting a constant and adequate supply of feed grains. In addition, they did not have sufficient storage facilities to store a certain supply of grain in case the transportation system was unable to deliver grain, especially during the winter months. So the Canadian Livestock Feed Board under the Feed Freight Assistance Act was established to do both things. It was established, first, to supply an adequate and available quantity

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of feed grains at an equitable price. That is where the subsidy came in. In addition, it was established to assist eastern Canadians, and to some extent British Columbia, in the building of adequate storage facilities to have those feed grains in place.

Western Canadians were producing large supplies of feed grains. At the same time we were a large producer of livestock, but we went along with this bill saying that there should be a livestock industry in all parts of Canada including the maritimes, eastern Canada and British Columbia. At that time the north was left out. We went along with that, saying we had more than sufficient supplies, and the amount of livestock in eastern Canada and British Columbia was not significant enough to cut into the production of those areas where we had a comparative advantage, and those areas where we were the producers of calves and the feeders of those calves to the slaughter stage. This was also the case in the hog industry and to a lesser extent in the poultry industry. However, over the years we found that this comparative advantage that we had, given the Crow rates, the "At and east" rates and feed freight assistance, was in fact detrimental to our livestock industry because it was becoming more reasonable to ship our calves to eastern Canada than to feed them in our areas due to the various subsidies that were being put in place. However, again it was of no significance to western Canada because we were maintaining our traditional levels, and nothing was said. But in the last number of years, that has been changing.

• (2120)

The reason it has been changing—it is difficult to argue with that reason—is that those other provinces wanted to establish livestock industries in their areas and become as close to self-sufficient as possible. I know that, taking the example of my farmers, they want to produce as much as possible. So, given the provincial top loading subsidies that are coming into place, particularly in the last number of years in Quebec and British Columbia, we are finding that more and more production is taking place in those provinces and, in fact, it is stealing away a livelihood which has been traditional in Alberta, Saskatchewan and Manitoba.

In the 1940s we had a third of the hog production in Canada; today we only have 12 per cent. We have lost a number of packing plants in a number of our western cities and, in fact, we now only have one major delivery point for hogs in Alberta, and minor points in Red Deer and in the Grande Prairie. We have only one large slaughterhouse in Saskatchewan—I believe it is in Saskatoon—and one delivery point in Manitoba, substantially down from what it used to be. Not only is that hurting our livestock industry but we are losing a great number of jobs in the slaughterhouse industry. We are finding that it is of great concern to people who have worked in that industry for 20 or 25 years and perhaps only have a few years to go to retirement but are now finding the slaughterhouses are closing down.

You cannot blame that entirely on feed freight assistance because, when you look at the assistance that was given at one