

markets in Canada. That is because Montreal happens to be the largest single market.

So I suggest to you, honourable senators, that that is one reason why we need to have a good hard look at this. We certainly need to come up with some recommendations soon, and particularly in the final report.

It is also a fact—and on this point we have heard evidence—that the producer does not have any direct influence at all on the price of his product. In the long term the producers can hold back, if they are organized enough to do that, and “short” the market, but you cannot hold back very much beef once it has reached market weight because the expense of keeping cattle every day after that is prohibitive. And so the producer has no influence at all on the price of his product.

Therefore, I think it would be a very important improvement in the whole structure if we in this chamber and in the committee could find a way to ensure that some of the other people involved in the trade owned some of the inventory from the time it left the shipping plant. It seems to me it is very easy to understand that if someone has no interest in the inventory, and if he is afraid that one or other of his competitors will get a price that is a quarter of a cent or half of a cent cheaper in any given week, then he has a built-in prejudice, bias or desire—whatever you want to call it—to keep on hedging deeper and deeper, and all the while the price is being beaten down. But if he owned the inventory; if, for example, he had to buy it before it was loaded on the cars in Alberta, then from the time that invoice is made out and that beef is put on the cars he would have a vested interest in keeping the price at least that high. What is happening now is just the reverse.

Many people accuse me of being the strong advocate of hard, rigid marketing boards, and I tell you that I am not that at all. But I think the producer ought to have something to say about what his price is going to be, and if it requires some federal or provincial legislation to enable him to have an influence on what his product is going to sell for, then I think such legislation should be forthcoming. There does not need to be anything as rigid and all-encompassing as a full-fledged marketing board. All that is needed is some kind of authority that would require that the price be set when the beef is loaded and shipped so that the price is not beaten down all the way during the week. I say that, honourable senators, because this is not the first time we have run into this problem.

When I was responsible for the Department of Agriculture in this country, we had the same problem with vegetables coming in from the southern United States. They would do exactly the same thing. They would sell what they could, but if they had an extra amount of lettuce, cucumbers or tomatoes for which they did not have firm orders, they would go ahead and ship it anyway. It would start rolling toward Chicago, Detroit or Buffalo, and the closer it got to the Canadian border, if it had not already been sold, the price would start to slip. The people holding it would be willing to take a lower and lower price so that by the time it got to the Canadian border it was almost a dumping or sloughing-off operation, based on the

[Senator Olson.]

theory of getting out from under at whatever price one could get.

The net result of all that was that our vegetable producers in many seasons of the year were subjected to the lowest dumped price. Do not misunderstand me; it does not quite fit the definition of “dumped”, because this produce would be offered to United States buyers at a lower price too, but a great deal of it came into Canada at a price that was much lower than the average price at which it was being sold in the United States. Canada is the next place you get to after you have passed the big markets of Chicago, Detroit and Buffalo. The unsold vegetables can be taken on to Toronto and Montreal, and by that time the owners are ready to unload them at any price they can get.

We did institute a policy—and it was not all that involved—whereby we simply said that if these cars of vegetables were going to come across the Canadian border they were going to carry a shipping bill and an invoice so that the price when they left the producer's warehouse in Texas, Arizona or California would be known. We were not going to allow those dumped cars into Canada. As I say, I use the word “dumped”, although some people will argue about it.

The same situation applies to beef, honourable senators. As I said, it would be nice if all the producers and the packing houses in Alberta and Saskatchewan got together and said, “Look, this past practice is going to end. In future if you want us to ship the beef, then you buy it. We will have an agreed price on a particular date, and we will put it on the invoice and then we will ship.” That would be nice, but I do not think it is going to happen. So, some other method will have to be introduced so that the producer can have some influence on what the price is when the beef is loaded. I am sure that everybody—Steinberg's, Loblaw's, Dominion, the brokers and the packing houses—would then have a vested interest in maintaining the value of that inventory from the time it is loaded until it is sold, which is exactly the opposite of the present situation.

• (1510)

Honourable senators, I understand there will be certain witnesses appearing before the committee who have intimate knowledge of how this system works, and I raise this point because I hope it will be the major thrust of the next interim or final report of the committee. In my view, it is as important as the import-export policy. We must put some sense back into this marketing system so that the bias is at least neutral, if not in favour of the producer. It is certainly against the producer at the moment.

Honourable senators, I realize this is not the Throne Speech debate, but there is one passage from the Speech which causes me concern because it has to do with all of this marketing system and its evolution in Canada. The passage which disturbs me goes on to talk about a national food conference and other things, and then follows this one sentence:

The Government will ensure that the views of producers, processors and consumers are adequately represented on