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Canada. Parl. Senate. Standing
Comm.on Agriculture and
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4th SESSION, 17th PARLIAMENT, 23 GEORGE V, 1932-33

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THE SENATE OF CANADA

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PROCEEDINGS

*No. 1
To No. 3*

OF THE

STANDING COMMITTEE

2 sets.

ON

AGRICULTURE AND FORESTRY

Re,—Conditions of Export Trade in Cattle and the
Cattle Industry Generally

No. 1

The Honourable J. J. Donnelly, Chairman.

WITNESSES:

The Honourable Robert Weir, P.C., M.P., Minister of Agriculture, Ottawa,
Ontario.

Mr. George B. Rothwell, Live Stock Commissioner, Department of Agri-
culture, Ottawa, Ontario.

OTTAWA
J. O. PATENAUDE, ACTING KING'S PRINTER

1933

STANDING COMMITTEE ON AGRICULTURE AND FORESTRY

The Honourable J. J. DONNELLY, *Chairman.*

The Honourable Senators:

Bénard,
Black,
Buchanan,
Burns,
Donnelly,

Forke,
Gillis,
Little,
McGuire,
Pope,

Raymond,
Riley,
Sharpe,
Sinclair,
Smith.

ORDER OF REFERENCE

*Extract from the Minutes of the Proceedings of the Senate of Canada, Tuesday,
April 4, 1933*

Resolved,—That the Standing Committee on Agriculture and Forestry be authorized to consider and inquire into the conditions of export trade in cattle and the cattle industry generally.

MINUTES OF EVIDENCE

THE SENATE,

THURSDAY, April 6, 1933.

The Standing Committee on Agriculture and Forestry met this day at 10.30 a.m., in Room 258.

The Hon. J. J. Donnelly in the Chair.

The CHAIRMAN: Now, gentlemen, we have the Minister of Agriculture here, and I am sure we would all be glad to hear his views.

The Hon. ROBERT WEIR (Minister of Agriculture): I thought, perhaps, I had better give you a rambling talk before you call on the experts, because after they are through there will be nothing left for me to say. You will pardon me for giving a short synopsis of the situation that has been forced on us by reason of the action of the American Government in shutting our cattle out of the United States. We had no option but to look somewhere else for a market, and the only available market was the United Kingdom.

We then had to approach the steamship companies to get boats, and the first question they asked us was "How many cattle will be available?" Now, because of the changed conditions, there was no adequate machinery to enable us to get that information. While we were shipping to the United States each individual farmer had almost been accustomed to marketing his cattle as an individual, just across the boundary line. We made a survey of the whole situation. It is an easy matter to get a fairly accurate estimate of the number of cattle in the country; it is easy to get an estimate of the number of dairy cattle and the number of beef cattle, but it is a different thing altogether to get an accurate estimate of the number of cattle suitable for export, and when they will be ready to go on the market.

We got in touch with the different provincial departments of agriculture, commission men, live stock associations, and so on, who, in reply to the same question, gave estimates varying all the way from 10,000 to 130,000.

Hon. Mr. GILLIS: As to beef cattle?

Hon. Mr. WEIR: As to how many beef cattle there were for export—that is finished cattle and stockers and feeders, which would create a demand for boat space for export. The highest estimate was received from a paper in the West that has been recognized as having very expert services in regard to agricultural conditions, crops and so on, and in saying that the estimate of that paper was so far out, I am making no criticism. They could state how many cattle there were in their district coming on the market, but they did not have any exact knowledge of the number of cattle that were ready for export. Our own estimate last year (1931) was 25,000, which was too close to the actual to enable us to take credit for anything more than good judgment and an element of luck in the guess we made. The number shipped was about 27,000.

Realizing the difficulty we started to erect some machinery that would give us a more definite idea so that we could approach the steamship companies, because we could not ask them to fit out their boats and make routings for 50,000 head if only 10,000 to 12,000 were going to be shipped, since that would result in our being blocked later on if we asked for further space, because of our previous inaccurate estimates.

To show you the difficulty, I may say that last summer very strong representations were made to us from the province of Ontario, by live stock drovers and people who had been in the live stock business for years—and the provincial department, through their district representatives, went a long way in corroborating the representations that were made to us—insisting that we should secure space to take care of 35,000 head in addition to what we had for May and June last year. In the face of that you may think that we should have gone ahead and secured the space; but in spite of the pressure that was brought to bear, after making inquiries in the Old Country and here, I decided that not that many cattle would go forward from Ontario. And, as a matter of fact, without any additional boats, only about sixty per cent, I think, of the space we had, was being used at the first of June.

I know that some of you gentlemen are practical men in the live stock business. That is the reason I am giving this informal talk about these difficulties. I know you are trying to work out a solution in this connection, and because of our arrangement with the United Kingdom this has become more necessary than ever. We are entitled to ship in any one year up to 280,000,000 pounds of bacon, and pork products, but because of the policy adopted by the United Kingdom of shutting out the pork products of other countries, the authorities there want to know what can be expected from Canada each six months. So, at the beginning of each six months we have to estimate the number, and tell them what we can export so that they can set the quotas of other countries. That makes adequate machinery to arrive at an accurate estimate additionally necessary. With a view to setting up such machinery I got in touch with the departments of agriculture, the commission men and the packers of all the provinces, who said there was a decrease in the hog production. That being the case, the situation did not appear hopeful for exporting as much bacon as we did the previous year, which was a few million pounds, and if the decrease were as sharp as estimated we could not expect to export any. At first the packers estimated 25,000,000 pounds, and after discussion increased that to 33,000,000. Here again we were called upon to exercise our own judgment, and after consulting with the officials of my department, we recommended 50,000,000 pounds, 20 to 25,000,000 during the first six months, and the remainder during the last six months. Everything was done to make that estimate as accurate as possible, because if we failed to supply what we were supposed to supply, and the price happened to go up, it would be said that the rise was due to the fact that Canada did not know accurately what she could send over, which would cause a reaction in the United Kingdom. If any member of this Committee can tell me any other precaution that I could have taken to get more accurate information, I should like to know what it is.

This has brought us face to face with the fact that we had to work out some means of securing information other than through crop reporters or live stock reporters, because there has to be an almost continuous study. So what we are doing is this. We are dividing the country into zones, and have worked out a policy by which, without any increase of staff we will use our live stock agents at the different stock yards, our field officers and our specially qualified experts on the various experimental farms. These men will get in touch with the provincial governments. Yesterday Mr. Light and Mr. Peterson were in touch with the officials in the Ontario department, to secure their co-operation. We are duplicating this action in our other major producing provinces. In that way we think we will cover the whole ground in the most thorough manner. For instance, the live stock agent at Prince Albert should know his district and should have information as to what men ship cattle or hogs to Prince Albert; the drover in a certain district should know better than anyone, except the individual farmers, how many hogs or cattle each of them will have to ship.

That information will be submitted to the live stock agents who will check it up, and submit it to us. In that way we hope to go a long distance towards solving the problem of arranging for cattle boat space, and making an accurate estimate of hogs coming on the market.

For the first two years the Department of Agriculture took the responsibility of securing boat space, but as the Department of Trade and Commerce has a great deal to do with the steamship companies, it was thought better, in order to avoid duplication of any kind, for that department to assume the responsibility after receiving information from the Department of Agriculture as to what would be required.

There is very little money in transporting cattle overseas unless there is other freight, like wheat, to go along with it. It might be possible to secure more boats, but in order not to congest a particular market we have to get boats going to different points in Britain. What we are anxious to do now is to open up the Tilbury docks at London, for in that way we would be able to secure the use of perhaps three or four C.P.R. boats that are already fitted for the carrying of cattle. Furthermore there would be the advantage of opening up another market. Negotiations are also under way to re-fit the stock yards at Manchester, which were done away with about a year ago, or to establish new stock yards.

We estimated in January that through St. John we would ship 10,000 head of cattle before the St. Lawrence route opened. Including yesterday's shipment, 9,592 head have gone this year.

We estimate that by the end of June we will have for export 25,000 head. We have boats now in operation that from the beginning of the year to the end of the year have capacity for some 45,000 or 46,000 head of cattle. There may be a period when the flow of cattle will fall off, but that happens to come at a time when there is more package freight, which pays higher rates, and the fact that the vessels are fitted with stalls does not interfere very much with that sort of shipment. We have three more boats in prospect—two of the Head Line boats and the Glentworth Castle—which, if they are required, will be fitted for the cattle trade.

Representations have been made to me, and I place them before you because I want to get your advice—that the Government should take over the space on these boats and allot it to the different live stock men so that there cannot be a corner, so to speak, on the boat space. My experience leads me to believe that that is a very dangerous thing to do, because then we would have to contract with the steamship companies to take all this space for the season or at least for a period of months. Let me draw your attention to the practical difficulty, for example I have received very strong representations from one man in the West, urging me to secure that space for cattle for shipment on the 8th of March. He said he wanted space for 200 head. Only on the 1st of March he wired me that his cattle were not fit. I heard nothing further from him until a short time ago when he said he wanted that space in May; and then a couple of days ago he notified me that his cattle were not doing well and that they would not be ready before the 1st of June or may be July. There are many cases of that kind.

Now, can we assume the responsibility of setting up government machinery to meet the whims of people all over the country who, if they are offered a little more for their cattle will turn them into other channels and not ship. We know what it costs to ship cattle—and I think the cost is fair—but in my judgment it would be better to leave the handling of the space in the hands of exporters, private interests, who are used to that kind of thing and who would assume the responsibility. In addition, they could not be subject to the pressure that might be brought to bear on any government organization, and which would be very difficult to resist.

Another point comes up here, that of grading live stock for shipment. Some of the dairy cattle that were shipped over this spring were reported to be below the proper standard, and we had strong representations from Canadians that the shipping of such cattle was injurious to the Dominion live stock industry. Mr. W. A. Wilson, who is particularly interested in agriculture, and others, have strongly urged that we should grade our cattle for export in order to prevent the poorer grades finding their way into the Old Country market and damaging the reputation of Canadian cattle.

Hon. Mr. GILLIS: Is that grading being done now?

Hon. Mr. WEIR: No. Although I favour grading to a certain extent, I think it would be a serious mistake for the Government to undertake to grade the cattle that are shipped overseas. Up to the present time over 80 per cent of the cattle that we have exported have been bought in this country by Old Country buyers who have been in the business of buying on the stock yards for years. They know better than anyone else what is demanded by their customers, and they buy on their own order to meet that demand. If we were to grade these cattle and send over only choice cattle there would be nothing to meet a demand for anything else. Different markets require different types of cattle. Mr. Brown of Manchester gave us this picture when he was here: He said, "I want some choice cattle for a choice market; I also want some canner cows, a few stores, a few feeders, and a few fat grade bulls for the cheaper market. If I get a combined shipment I know exactly where I can get rid of it."

That is my reason for feeling that at present, at least, it would be a mistake to grade cattle and say that only certain cattle should be shipped. What we want to do is to get the Old Country buyers in this country to buy the cattle from the farmers or on our stock yards. We should encourage the buyers to come here, because, if there is a slip in the market over there they can handle the cattle to better advantage than our commission men or farmers can do at long range.

Hon. Mr. BLACK: A very large percentage of the stock that has gone this year has been from Ontario and the West?

Hon. Mr. WEIR: Yes.

Hon. Mr. BLACK: Very little has gone from Quebec or the Maritimes?

Hon. Mr. WEIR: Yes, very little. We feel that many of the cattle that have gone from Ontario so far this year have not been very well fitted. They are what we might call "distress sale cattle." We think that these have been pretty well sold out and that those that are held are in the hands of pretty strong holders, able to hold their cattle for a longer time and finish them better.

Last year the farmers of Scotland bought all the Irish cattle they could handle. The result is that they are overloaded with cattle now, and are letting them go on the market not as well finished as they have been in previous years. Consequently the market is lowering. For instance, this week, choice Irish cattle finished in Scotland were bringing from four pence to four and a half pence—that is 6·8 to 7·6 cents—a pound live weight at this week's exchange. That would nett to farmers for choice cattle \$3.50 to \$4.25 a hundred. Yet our best cattle have been bought here for anywhere from \$4 to \$4.50 per hundred and higher. Only this week some carloads were bought on the Winnipeg market, averaging in the neighbourhood of 950 pounds, for \$4.50 a hundred-weight. At the present Old Country market they would sell at a loss to the man who has bought them here.

We do feel that when the accumulation of Irish cattle have been disposed of it will give a distinctly healthier tone to the market. At the present time it is generally conceded that the big run of Irish will be over by the last week in May or the first week in June.

The Irish cattle situation is a very interesting one, owing to the difficulties that have taken place recently between the governments of the Irish Free State and Great Britain. In 1930 the Irish Free State exported to the United Kingdom a little over 900,000 head of cattle; in 1931 that number dropped to 800,000 odd; in 1932 it was only a little over 700,000 odd. The commission men in the Old Country who have been most successful, and who therefore should be best qualified to judge market conditions, feel that these exportations will continue to drop at about that rate, if not even at an accelerating rate, because of the agricultural policy of the Irish Free State. The purpose of their policy is to encourage the Irish farmers to break up their pasture land and seed it down to wheat, oats and barley—products that at the present time are being imported into the Irish Free State in large quantities.

This gives us a very hopeful outlook with regard to the British market for our cattle—the most stable and permanent market that I think we can have, for I know of no country in the north temperate zone but Canada that can supply that market. Live cattle can be shipped across the equator only at very great loss.

Therefore I do think that our cattle men should concentrate on the British market. The price of live cattle must rise as soon as there is the least improvement in world conditions, and I have no doubt that that improvement will be reflected more quickly in that market than in any other. That is why we are anxious to be ready to meet the demands of Great Britain for our cattle as soon as they arise.

I think our biggest difficulty is to regulate our supply of cattle so that there will always be a continuous supply of the kind that is required for the British market. We shall have to overcome this difficulty by education and other means. We have heard a great deal of talk about continuous supply, uniform quality, and so on. We can talk along that line for another twenty or thirty years and get nowhere unless we work on some definite plan at the outset.

For instance, any tendency to a drop in the price of cattle might be absorbed by the live stock men making a levy on themselves on the basis of their total sales domestic and export throughout the year. In that way the slack could be taken up and we would be able to insure a continuous supply of cattle to go forward. The only way we can hope to hold the market is to maintain a continuous supply.

If we do not maintain continuity of shipments our purchasers may look somewhere else for their beef. They may turn to Argentine chilled beef. People at first resent the idea of eating chilled beef, but I am told that after eating it a few times their prejudice is greatly overcome. We shall have lost potential consumers of our live cattle if Britishers turn from fresh killed to the chilled or frozen beef from the Argentine.

Whether or not it will be advisable to adopt the principle of a levy I am not yet in a position to pass an opinion. With the arrangements we have made to keep in close touch with the exporters and to have our live stock agents put more time on the marketing end rather than on promotion, important as promotion is. I am hopeful that we shall at least have reached the point where the live stock men of this country will be willing to accept any reasonably practical policy that will make it possible for them to maintain this continuous supply of cattle for the British market.

It may be asked, what other markets have we investigated, and what are our prospects of getting into them. As I said before, the Irish situation affords us the greatest hope of capturing the British market and having a permanent market. Under the agreements entered into at the Imperial Economic Conference last summer, we are able to ship female cattle to the Old Country for feeding. If these were of the right quality they could be used for breeding pur-

poses. A few shipments of the different breeds of cattle—Holstein and Shorthorn—have gone forward already. As far as I can learn, none of these shipments have netted a profit; on the average there has been a loss to the man who shipped them of from one pound to one pound ten shillings a head. At the present time the Ayrshire people have under consideration an extensive shipment of young two and three year old heifers, hoping they will meet the demand for that type of cattle in the Old Land.

At first we had some difficulty regarding the bulls shipped to Great Britain. At the Imperial Economic Conference we understood that bulls included in commercial live stock shipments would not be used for service, because the British stock men are getting very satisfactory results from their policy of pure bred sires. However, some of the British farmers who had bought these bulls for feeding, used the better ones in their own herds. This practice was objected to by the Old Country authorities, and we had no hesitation in assuring them that it was never understood by us that bulls bought at two and three cents a pound would be so used, but that only bulls shipped as pure bred sires were to be used in British herds. That assurance has cleared the atmosphere so far as our cattle shipments are concerned.

Another potential market for our cattle is China. Those of you who were at the Royal Winter Fair in 1931 may have noticed in one of the outer barns a collection of Ayrshire cattle to be shipped to China. Mr. Scott, who had charge of the shipment, has returned from China. He is very enthusiastic. He said those Ayrshires made a very favourable impression, and he is enthusiastic about the potentialities of this market. There were only thirty head in that shipment, and they were sold to the Ice and Cold Storage Company of Hong Kong. This company has 1,300 head of high class dairy cattle, and operates one of the most up-to-date dairies to be found anywhere in the civilized world. The company has been getting many of its cattle from the Old Country, and some from Australia. In Shanghai there are twenty-seven dairies, about ten of which own each over a hundred head of choice dairy cattle. The Culty Dairy owns seven hundred head of choice dairy cattle. During past years British Columbia has been supplying a considerable number of these dairy cattle. If our reports as to the reception of the Ayrshire shipment are correct, it is felt that the British Columbia stock men will not be able to meet the demand. At the present time the Ayrshire people are getting together another shipment in an effort to confirm the good impression created by their first shipment.

These, we believe, are the chief outlets for our cattle. The Chinese are particularly pleased that our dairy cattle purchased by them have more than lived up to their record of performance, and that they are so healthy. In the health of our live stock and the accuracy of our records of production we take second place to no country; in fact, we think we stand higher even than the Old Country. That purchasers of our dairy cattle find those cattle are in every respect as we have represented them, is an invaluable asset to us in getting a wider market.

As no doubt you gentlemen are aware, the Chinese eat much more pork than beef. Their pigs are of a very inferior type, and they have been importing odd shipments of breeding stock. We hope to have them become very much interested in getting some of our best swine.

I do not know, Mr. Chairman, that I can add anything further to these few rambling remarks.

The CHAIRMAN: You have given us some very useful information, Mr. Weir. Perhaps some members of the Committee would like to ask the minister a few questions arising out of his statement.

Hon. Mr. SHARPE: Mr. Weir, have you ever thought of shipping chilled beef to the Old Country?

Hon. Mr. WEIR: I have taken that up with the packers on two or three occasions. They feel there is very little hope of any successful result. One of the reasons is that the Argentine has virtually a monopoly of that trade.

Hon. Mr. SHARPE: With frozen beef.

Hon. Mr. WEIR: Yes, but particularly with chilled beef. We have also been in touch with the packers on a number of occasions to see if they could not use up some of our surplus cattle for canned meat. But our cattle used as canners are a poor grade of cattle, whereas the Argentine use top beef for this purpose.

Hon. Mr. FORKE: From whom are the cattle secured for shipment, from the dealer or the stockyard? Cattle cannot be bought from the individual farmer.

Hon. Mr. WEIR: From the stockyard and direct from the country. Brown, of Manchester, has agents at various centres in this country, for example, Maybee in Toronto, Burns Brothers at Winnipeg, and so on. Those agents have definite orders from him for cattle. He has released twenty-five per cent of his shipping space at the present time for individual farmers who would sooner ship on commission, for he says he has no preference, he does not care whether he buys outright or whether they ship on commission.

Hon. Mr. LITTLE: Mr. Weir, with reference to your remarks as to getting information of stock available for export, how are the other provinces equipped with district representatives as compared with the province of Ontario?

Hon. Mr. WEIR: Ontario, I believe, has the best equipped service. I would say that Quebec and the Maritimes come next. Alberta has four or five district representatives. Until recently Saskatchewan had only two; they plan putting in more.

Hon. Mr. LITTLE: So far as Ontario is concerned, between your district representatives and your stockyard people, that information should be easily available?

Hon. Mr. WEIR: Not easily.

Hon. Mr. GILLIS: I imagine the drovers in every community could give more reliable information than any other men. They know best what cattle are coming on.

Hon. Mr. FORKE: There is a return, Mr. Weir, that I got for some cattle I shipped recently.

Hon. Mr. GILLIS: Did you ever ship them direct?

Hon. Mr. FORKE: No.

Hon. Mr. WEIR: I see you secured from three to three and a half and three and three quarter cents a pound. The market now for choice cattle is quite a bit stiffer.

The CHAIRMAN: I regret, Mr. Weir, that Senator Riley—he moved the motion for this inquiry—is not present, for in his speech he strongly urged that we should have a shipping board. Perhaps you would prefer to leave that matter rest until Senator Riley is here; or would you care to deal with it at the present time?

Hon. Mr. WEIR: I thought I had covered that subject.

The CHAIRMAN: I think his suggestion for a shipping board was in connection with export only. You spoke of grading cattle for the Overseas market. No doubt there are markets for different classes of live stock, but many people think it desirable that we should prohibit the exportation of inferior animals in the different classes, otherwise our live stock will get a bad reputation. It might be a difficult end to attain, but I am sure the Committee would like to have your view on it.

Hon. Mr. WEIR: I think it may be assumed that the Old Country buyer knows his business. He has a man here to buy for him on order, and if that man does not supply him with what he needs for his market he will take some steps to put things right. Therein I think lies the cure.

Hon. Mr. FORKE: The Old Country demand was largely for stockers from Ireland—cattle to be fed and finished.

Hon. Mr. WEIR: Ireland has to a great extent supplied the Scotch and the English feeders with this type of cattle; but as the Irish exports decrease we feel the Old Country market will be one of the biggest outlets for our stocker trade. It is debatable whether it is better for us to finish our stockers with our own grain or export them unfinished. But we can grow an almost unlimited number of cattle. The Old Country market for cattle is and always has been the most stable in the world. When we get a nice start in the American market something happens and we are shut out. In that way the American market is not so satisfactory, although I admit it is the natural market on account of its proximity and consequent low shipping charges.

Hon. Mr. GILLIS: Are many stockers shipped to the Old Country?

Hon. Mr. WEIR: No. Their ideal type is known as short keeps, cattle weighing from 750 to 950 pounds. The difficulty is that the per head cost of landing them in the Old Country is so much higher than for the heavier type of cattle that it takes away from the profit.

Hon. Mr. FORKE: The cattle I shipped averaged about 1,000 pounds, and they brought only three cents a pound.

Hon. Mr. WEIR: If they were well finished cattle, Mr. Forke, they should bring more than that.

Hon. Mr. FORKE: I would not say they were too well finished.

Hon. Mr. SHARPE: I hear a great many complaints about the charges at the stockyards.

Hon. Mr. WEIR: Mr. McCallum is here and will speak on that. We had the commission men here a year ago and went into the whole situation with them. Their charge for feed looks unfair, and taken out of its setting it is unfair. But they say if they do not get their income from feed they will have to get it from yardage, and they think it fairer to the average shipper that they should recoup themselves on the feed. After a full investigation we requested them to cut all their charges ten per cent. We thought that would be a good start. Some of them have advised us that they will make this cut; we have not yet heard from the others. Geo. Milne, of Prince Albert, I believe, has told us he will cut his charges as much as twenty-five per cent. I believe he is the only man now on the Prince Albert Stockyards. This is contrary to what one would expect. Usually the greater the competition the lower the cost, but the replies we have received indicates that the fewer the persons operating on a yard the more efficiently and cheaply they can operate. Under the Livestock Act my department is authorized to set a charge. But so far as we have been able to check our information, we are convinced that if we decrease the charge a considerable amount it will put some of the stockyards out of business. I believe there are only two of them paying dividends. If that information is correct, I do not want to take the responsibility of that action, because there might not be anybody else ready for some time to operate those stockyards. Before we insist on that concession we feel we shall have to put in qualified men to check the overhead of these stockyards, their watered stock—or whatever other term you wish to apply in that connection—to see if a reduction of cost would cause a disruption of the service to the farmers.

Hon. Mr. GILLIS: Some of the stockyards are owned by the railway companies, are they not?

Hon. Mr. WEIR: Yes, at Montreal.

Hon. Mr. GILLIS: And Winnipeg.

Hon. Mr. WEIR: And Winnipeg, too, yes.

Hon. Mr. SHARPE: It is from Winnipeg that I get all the complaints.

Hon. Mr. GILLIS: They do all over the West.

The CHAIRMAN: You suggested, Mr. Weir, that we endeavour to maintain a steady flow of cattle to the English market. If we could do so undoubtedly it would be very desirable, but looking back over the past thirty years, and knowing how the trade has fluctuated, I have very grave doubts of our being able to maintain such a steady flow. The volume of cattle going overseas is governed largely by the market here. There have been times when we have sent over 140,000 head a year, but beginning with 1918 there were two or three years when we did not send any cattle over, because the livestock men could get a better price at home. You spoke also of the dealers not sending cattle along steadily last summer. At that time the exchange situation was very unsatisfactory, and the stockmen who were grazing cattle decided to hold on in the hope that the situation would clear up. However, they were ill-advised in doing so, for the situation did not clear up. Those are some of the factors that prevent a steady flow.

Hon. Mr. WEIR: The Irish situation accentuated the trouble, because they were throwing their cattle on the market. As you say, Mr. Chairman, our cattle do not go over for short periods because the price to the individual farmer or drover may be half a cent or a cent a pound better in our local market. But if as a result of our holding our cattle off the Old Country market, the British buyers are forced to turn elsewhere for their supply, I think we are losing more than we are gaining.

In this connection, Mr. Chairman, we are discussing a system which we think might overcome that fluctuation of supply, but I do not want to give the Committee the impression that it has been decided upon, for it will require very careful consideration before it is adopted. We have been trying to work out a system by which a levy would be made on every head of live stock marketed through the stockyards. The proceeds of this levy would be put into a fund, to be administered by a board, and the cost of administration might be borne by the Government. This fund would be used to make good the difference between the local price and the export price, and so absorb any loss sustained by the exporter. In that way a supply of cattle could be kept going forward continuously. I do not think we have yet reached the stage where we could put such a system into effect, for we have too much educational and organization work still on our hands in connection with the live stock industry. Ultimately I think we shall have no choice but to adopt some such system if we are going to hold the Old Country market for our live stock.

Hon. Mr. SHARPE: If you had a marketing board they would handle that work.

Hon. Mr. WEIR: Yes, that is what I meant. Not a marketing board to purchase and sell or in any way interfere with the regular channels of trade.

Hon. Mr. GILLIS: You would have a fund to meet fluctuations in the market price?

Hon. Mr. WEIR: Yes. That board would decide that so many head of cattle should go forward in order to maintain a continuous supply. Our farmers are so scattered that it is very difficult to get them educated to be of one mind about marketing, for marketing is a highly scientific branch of business, especially when one's market is at such a distance.

Hon. Mr. SHARPE: Would there be any difficulty in getting all the ships we wanted if we had a regular supply of cattle for shipment?

Hon. Mr. WEIR: We have to know ahead. We have boats now that will carry to the end of the season 36,000 head, and 9,000 head have already been shipped. It is difficult to say how the stabilization fund will affect the number of cattle being exported, but we do think that this fall, when there will be fewer cattle coming from Ireland than earlier in the year, that we shall be able to meet part of the Old Country demand that Ireland now supplies.

Hon. Mr. FORKE: It seems to me it will be a good market for store cattle in a well forward condition. That is what the Prairies can supply. The great difficulty that our Prairie farmers have to contend with is lack of summer pasture.

Hon. Mr. WEIR: We think the summer pasture on the range lands can be improved very considerably with a little care. Mr. Thompson is in charge of our experiments at Manyberries Station. It is not costing very much because we are experimenting with the cattle on the ranchers' ground. In the northern park country of Saskatchewan, Alberta and Manitoba we can grow unlimited pasture and forage. For the benefit of those who have never been there—especially Senator Buchanan, who, of course, could tell us of the large crop of alfalfa grown in the irrigation belt—I may say that I know of farmers near the end of northern civilization in Saskatchewan who from forty odd acres have taken off over 330 loads of alfalfa. So there is no limit to the amount of feed we can grow and the number of cattle we can pasture. A mixture of wheat grass, timothy alfalfa and some of the new varieties of clover will carry from two to four head of cattle to the acre. It is the natural feeding land for the ranchers' cattle.

Hon. Mr. GILLIS: You have not shipped any cattle yet over the Hudson Bay route?

Hon. Mr. WEIR: No. Last summer we were in touch with ships but no cattle were available. We believe steamships will be available if the cattle are available. In the Maritimes I have recently discussed with the farmers—they feel they have to make some changes in their agricultural methods—whether it might be possible for them to ship apples, salt and certain other products to Hudson Bay by boat, and bring back not only feeder cattle but also coarse grains. Some cattlemen, especially officials of the provincial departments are quite enthusiastic over the possibilities of that trade. It was shown this year that Prince Edward Island farmers could lay their potatoes down in Toronto by the water route at something in the neighbourhood of twenty cents a hundred pounds cheaper than the railway rates paid by the Ontario farmers. The water rates for cattle, fruit, etc., would be a big advantage from Hudson Bay.

Hon. Mr. SINCLAIR: By chartering a boat?

Hon. Mr. WEIR: Yes.

Hon. Mr. BUCHANAN: When the Hudson Bay route is open do you think that Western livestock may be moved to the British market by that route?

Hon. Mr. WEIR: It is an ideal summer route because it is a cool route during the open season.

Hon. Mr. BUCHANAN: Is that the season they are shipping cattle?

Hon. Mr. WEIR: That is when feeder cattle and stocker cattle would be shipped to the British market.

Hon. Mr. BUCHANAN: Since the depression has there been any reduction in the rates for carrying cattle?

Hon. Mr. WEIR: On the boats?

Hon. Mr. BUCHANAN: On the stockyard rates. Have charges come down?

Hon. Mr. WEIR: Some of the stockyards have reduced their charges. As I have said, that is one of the things we have been investigating, but before we

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.

Hon. Mr. FORKE: 112 pounds.

Hon. Mr. WEIR: Yes. Back here that would net about a dollar a hundred less than the price jumped to here. Whether it was the result of the announcement of the stabilization scheme we do not know, but bacon that is cured now will not be in shape to be shipped for a month or two. Anyway, the price here for our hogs jumped higher than the rise in the price of bacon in the Old Country would warrant.

To show what drastic steps the Imperial authorities are talking, I may say that they have shut out a great deal of bacon from Denmark. The Danish packer at first overcame that disadvantage. A quota was allowed to Denmark of a certain number of pounds of bacon. The Danes are very highly organized, and they decided to cut about seven pounds of the poorer part off each side of bacon, and to absorb the loss as a bonus, or whatever you may care to call it because it enabled them to ship the sides of more hogs. The Danish Government issued to the co-operatives a permit—this will interest Senator Forke—permitting each member to raise say one hundred hogs over a certain period, for each of which he would be given a ticket. If he produced more than a hundred hogs they would be sold at the distress market price; but for each one of the hundred hogs he would be paid a set price based on the price current in Great Britain. As a matter of fact, the Holland Government in order to stabilize prices and counteract excess production bought 100,000 hogs in the course of two months and either destroyed them or gave them to charity.

There is a school of thought that says, there is a limit to the consumption by a certain number of people. But this suggested limit of consumption of bacon products in the United Kingdom has been reached on a number of occasions, and their consumption continues to increase. So the British authorities have been forced to the conclusion that there is no limit to bacon consumption but price. When the price descends too low the farmer is forced to quit raising hogs; thereupon the price begins to rise again. That is why they decided on their bacon quota. They tried to work out a quota for dairy products, but they were not able to come to an agreement, and it looks now as if it would be a case of the survival of the fittest in this industry.

Hon. Mr. FORKE: Did you pay attention to the method of curing bacon in Denmark?

Hon. Mr. WEIR: Yes. The Danish packers are very close to the English market, so they can place it there with a very mild cure.

Hon. Mr. FORKE: That is what I noticed.

Hon. Mr. WEIR: At the present time our butter on the United Kingdom market would net in our funds eleven cents a pound. If you deduct the freight from Montreal back to the farm, you can see how far this war is being carried.

Hon. Mr. FORKE: I saw a great many pigs in Denmark at the different packing plants, and I came to the conclusion that they were not any better than the hogs we had in our stockyards at Winnipeg.

Hon. Mr. WEIR: No. They cross our Yorkshire pigs with their own for their commercial breeds.

Hon. Mr. FORKE: I am satisfied, Mr. Weir, that the future of farming in Manitoba and in most of Saskatchewan will depend upon live stock.

Hon. Mr. GILLIS: Sure.

Hon. Mr. FORKE: If there was a decent price for live stock I would not be at all afraid to start raising cattle.

Hon. Mr. WEIR: Even at present prices of live stock it is much better for the farmers to feed their coarse grains than to sell them at to-day's prices. With the necessity for long winter feeding, the farmers in the West must mix

laxatives with their feed and not confine their live stock entirely to hot grains, and so on. As a result of being fed too much hot grain there is a tendency for some of the Western cattle when killed in the Old Country to show bone taint. We are endeavouring to bring home to our farmers the fallacy of shipping their grain to Winnipeg and drawing their bran by team from the store. More than half of its value is represented by railway freight. In place of that economic waste, we have worked out some very good mixed feeds. For instance, we recommend a farmer to sow a mixture of oats and wheat. That should not be threshed out, but put through a hammer machine, Letz machine or in some way crushed. Then without the cost of threshing the farmer would have his grain roughage, his oat chop, his flour and his bran in the one cheap operation. If you put that in front of the average animal with the best oat chop that you can get on top of it, it will nose through the chop and eat the stuff underneath. I would say that cattle can be carried well on that feed at present prices, especially in the park country in the North, at much less than the average system of feeding. A full balanced ration is there.

The experimental farms lately have been successful in developing a strain of hull-less oats called Laurel. Hitherto hull-less oats had not been high yielders. This Laurel variety is a comparatively high yielder. In addition to that they have developed a short-strawed, very heavy producing pea. By seeding these two as a mixture, the oats hold up the peas, and we get a leguminous ration that is very high in protein content. The owner of a large dairy herd in Ontario by growing his feed in this way has saved \$1,500 in the purchase of protein feed annually. There is no limit to the feed we can produce and the live stock we can raise if we are willing to act on the information that is supplied by the department.

The CHAIRMAN: I thank you, Mr. Weir. You have given us a great deal of useful information.

Hon. Mr. WEIR: If at any time I or any of my officials can be of any assistance to you we shall be happy to attend. That is our work.

Hon. Mr. BUCHANAN: Have the packers an application before the Railway Commission for reduced rates on killed beef from the West?

Hon. Mr. WEIR: Not that I know of.

Hon. Mr. BUCHANAN: I had word that the cattlemen were opposing the application. They thought it would be to their advantage to ship live cattle, that that business is more important than killed meat.

Hon. Mr. WEIR: I am inclined to say that we should investigate every possible avenue, for, as I said before, there is no limit to what we can produce if there is any reasonable market for it.

We are not alone in our difficulties with cattle. Keefer, of Chicago, one of the oldest commission men there, has made enquiries of us as to the possibility of shipping American live stock to the Old Country through our ports. He says that seventy-five per cent of their corn belt and other feeders are bankrupt, owing to the price they had to pay for feeders a year ago and the reduction in price they are getting now. But I believe there is no possibility for them to ship through this market. The Calgary bull sale the other day gave us an idea of the optimism of the Western cattlemen. One animal was sold for \$550, and a number of others for over \$300.

Hon. Mr. FORKE: It struck me as rather peculiar that when good prices were being paid it was because one farmer was buying from another farmer.

Hon. Mr. SHARPE: Mr. Weir, you said that our natural market for feeder cattle was in the United States.

Hon. Mr. WEIR: For everything, because the cost of putting them there is so much less.

Hon. Mr. SHARPE: If the growers of cattle are all broke there, what object would there be in sending any of our cattle there at the present time?

Hon. Mr. WEIR: Not at the present time; but under natural conditions, I would say yes.

The CHAIRMAN: We will now hear Mr. Rothwell, the Livestock Commissioner.

Hon. Mr. WEIR: There is one point I should like to correct, Mr. Chairman, in what I said with respect to chilled beef. Mr. Light, who is in charge of our marketing service, tells me there has been of late years a very decided swing from frozen to chilled beef export from the Argentine to Great Britain. My impression was that the percentage of frozen was much higher than chilled. You think it is the opposite, Mr. Light?

Mr. P. E. LIGHT (In charge of marketing service): The Argentine, with their specialized system of refrigeration in transit, have gradually got away from the cheaper class of beef. That is, frozen beef sells at a lower price than chilled beef, which latter is a much higher quality product. I think Australia is taking care of practically all the frozen beef trade. Most of the frozen beef is going to the Continent.

Mr. GEORGE B. ROTHWELL (Livestock Commissioner, Department of Agriculture):

The CHAIRMAN: Mr. Rothwell, you have heard Mr. Weir's statement. We are here for the purpose of getting any information which the officials of the Department of Agriculture think will be useful to us in our inquiry. Mr. Weir has gone into matters very thoroughly, but perhaps there is something you would like to outline to us. We will leave it largely to your own judgment.

Mr. ROTHWELL: Mr. Chairman; I am afraid there is not a very great deal I can say to you. In fact, I have been wondering just why the Minister of Agriculture brought in with him, those so-called experts.

Hon. Mr. GILLIS: He knows all himself.

Mr. ROTHWELL: He has demonstrated to you that he is a fairly good expert himself.

Last year Mr. Light and I were privileged to come before this Committee, at which time we discussed certain points relative to the export cattle trade that were of interest at that time. Then we were not so fortunate as to have our minister with us, so we had to do more of the talking ourselves.

There are one or two things dealt with by Mr. Weir that I think might be amplified to some extent. It has been made very clear by him and by others here that we have two outlets for our cattle. One has been termed a natural outlet. I think you used that term, sir, because of the flow of trade.

Hon. Mr. SHARPE: I was quoting your minister.

Mr. ROTHWELL: Well, we will use that term. The other is more or less of an artificial outlet, for I think we can to a certain extent term the British market an artificial outlet. I am using these not as specific terms, but simply to differentiate between the two.

The business of shipping live cattle from Calgary or Edmonton to Glasgow and other British markets possibly is not considered by many people as an economic operation. It is done, but it is difficult to discern the economy of it when you consider it as package freight. That is, the animal must be supplied with so much space and air and feed in transit. There is some question in the minds of many people whether it is economical. Nevertheless, it is a decidedly important business.

A comparison of the percentage of our exports to our cattle population is rather interesting. In 1932 our exports of live cattle, which included beef and calves, was .5 per cent of our cattle population. It gives you some idea of the relatively small percentage that is involved, and at the same time the relatively large importance of that outlet for our comparatively small surplus.

I should like you to contrast our exports with the cattle exports of the Argentine Republic. There the percentage of exports to cattle population was 6.72.

Hon. Mr. GILLIS: And ours is .5.

Mr. ROTHWELL: Yes, .5. Now, let us go one step further and take the Irish Free State. Her percentage of exports to population is 15.74. This comparison of the significance of the cattle export trade to these three countries is worth considering. You might say that our export trade is not a drop in the bucket; nevertheless it is an exceedingly important outlet for our surplus.

Hon. Mr. BUCHANAN: How does the cattle population of the Argentine compare with ours?

Mr. ROTHWELL: The cattle population of the Argentine in 1931 was 32,212,000. Our cattle population in 1932 was 8,511,000. There is another point that I should like to refer to. I think the minister would grant me permission to do so. As he has pointed out to you, and as you know, one of our great difficulties in the matter of exporting cattle to Great Britain has been in anticipating and arranging for space. We will suppose a farmer desires to consign a carload or two to the Old Country. He does not know very much about routes or about the methods to follow in order to secure the space he wants. He may think: "this week I have these cattle ready, but I am a little doubtful what I will do with them, and I will wait and see how the market goes." At the end of the week he decides to send the cattle to the Old Country, and he thinks he can secure space on a steamer to the Old Country just as easily as he can secure a stock car at a country siding. As you know, such is not the case.

Hon. Mr. GILLIS: Does a small shipper apply for space through the department or direct to the steamship company?

Mr. ROTHWELL: We have nothing to do with space. As the minister pointed out.

The CHAIRMAN: There are shipping agents at the various ports.

Mr. ROTHWELL: Yes, at Montreal.

The CHAIRMAN: You speak of a farmer shipping his cattle direct to the Old Land. My experience is that men who make a business of holding from 500 to 1,000 acres of land—I am speaking of the West—buy cattle and graze them, and they are the men who ship the cattle Overseas. It is very rare that a farmer ships his own cattle Overseas.

Mr. ROTHWELL: As Mr. Weir pointed out, the farmer consigning his own cattle has almost disappeared.

The CHAIRMAN: It depends on the definition placed on the word "farmer." I point out that it is usually men who have large areas of grazing land who consign their own cattle to the Overseas market.

Mr. ROTHWELL: Exactly. There is a declining percentage of actual farmers who consign their cattle to the Old Country markets.

Hon. Mr. FORKE: A man with ten or twelve head of cattle would never think of exporting them direct.

Mr. ROTHWELL: No, he would have a carload. As Mr. Weir pointed out, the whole tendency is towards the purchase by the importer himself of his cattle in this country. From 85 to 87 per cent of the cattle that were exported this year were bought by the exporter himself in this country.

Mr. LIGHT: Yes.

Mr. ROTHWELL: During recent years if you tried to interest a steamship owner in the cattle carrying trade, he would say "What about the United States? I have fitted up boats before and, owing to a sudden change in the American tariff, the cattle men have started shipping south and I have been left with my boats unable to get cargoes."

Mr. Weir discussed with you this morning the possibility and maybe the desirability of our securing wider distribution for our cattle in England through the opening of the Tilbury Dock. That would give us a far more efficient distribution of our cattle in the Old Country, and as the Canadian Pacific boats go into London we possibly could get them interested in that trade. I think it will be found that there are certain difficulties in the way of opening that dock. One of the questions that has been asked is what would happen if an American trade developed overnight after considerable money had been spent in the establishment of lairages at Tilbury Dock. After trying for thirty years, we finally managed at the Imperial Conference last summer to get the embargo against Canadian cattle in Great Britain entirely removed. We have developed considerable trade over there, and if I may be permitted I should like to read to you a brief extract from a letter written by a British expert about a month ago. He says:

There is good promise of the Canadian cattle trade with this country being developed in the near future. The exchange rate is now almost within workable reach, and if our market regulation can achieve the level and stability of price we are aiming at I think you can ship regularly and profitably. Another factor in your favour is the uncertain future of the trade in Irish cattle; owing to the political uncertainty in Ireland there is a distinct possibility that Irish cattle production will be discouraged and the output curtailed. The duty on Irish cattle is already restricting the trade, and, if it continues it will reach right back to the breeder and put him out of business. There would appear to be here a definite opportunity for Canada to fill the gap caused by Irish decline in shipments and I think the position is well worth watching.

There have been articles in the newspapers concerning reciprocal relations with the United States. So far as we in the Department of Agriculture are concerned, while we are anxious that there should be as many markets as possible for our cattle we are wondering what effect a reciprocity arrangement would have upon the work that we have been doing for thirty years and which has at last resulted in the removal of restrictions against the entry of our cattle into Great Britain.

Now, Mr. Chairman, I do not know whether there are any other matters you wish me to refer to. The Minister covered the ground very fully. We were rather of the impression that what you desired this morning was a discussion on stockyards services and charges, in relation to their effect upon the producer. I may say that no one in Canada is better informed upon these matters than Mr. McCallum, the Chief of the Stockyards Service, who is here. During the past year there has been considerable trouble in connection with these very questions, but most of it has been due to the fact that there are many people on both sides of the issue, but mainly in the ranks of the producers, who are only partly informed concerning the situation. They see one side only, but the Department of Agriculture is in a position where it is obliged to see both sides and to keep before it the interests of all parties, with those of the producer always uppermost. We would very much welcome an opportunity to discuss with your Committee the whole market situation at the stockyards.

The CHAIRMAN: It is the intention of the Committee to go into the question of marketing conditions at the different stockyards, I think. One reason why it seems to me we should go into it is that there is a great deal of misconception among the drovers. Drovers have written me recently making complaints which I feel are not well founded, but in the interests of all concerned it might be well to have the differences discussed before this Committee. If the Committee agrees with my views in the matter, we shall have before us representatives of the producers and the drovers, and after they have presented their case I think we should hear representatives of the live stock commission men. The commission men have associations, and there would be no difficulty in getting in touch with them nor with the owners of stockyards, but I am not clear as to whom we should have here to represent the producers and the drovers, who have not any associations. I know personally of some people who could give us a great deal of information, but I should like the advice of the Committee to-day as to what method we ought to pursue in selecting persons to come here and state their views. I think the producers and drovers ought to be given every opportunity to present any grievances they think they have.

Hon. Mr. LITTLE: Mr. Chairman, producers were invited to attend before a committee of the other House, and many of those invited were not connected with any association.

The CHAIRMAN: I think there is no association of cattle producers, anyway.

Hon. Mr. GILLIS: Most of the complaints that we hear all over the country are about the charges at the stockyards. We want to find out where the trouble is and clear the atmosphere.

Hon. Mr. FORKE: I live 180 miles west of Winnipeg, and it costs 65 cents per hundred pounds to put our stock on the Winnipeg market. That seems to be a high charge.

Hon. Mr. SHARPE: Mr. Chairman, do you think we shall have time to go into this whole thing carefully before the session ends? I am particularly interested in the West, and we could not get our people down here this session, I am afraid.

The CHAIRMAN: I have given some thought to this matter and that is one reason why I urged that we confine ourselves largely to the beef cattle trade. I should like to go fully into that, if we can. We were told by Senator Dandurand the other day that the session is likely to last until June, and if we are here that long we shall have ample time to go into this question. Of course, if we do not finish our work this session we shall have a record of our proceedings and be able to continue next session. But I should prefer to finish this session.

Hon. Mr. McGUIRE: I wonder if Mr. Rothwell could tell us whether the price that we receive for our cattle in the Old Country has any effect upon the price that obtains in the domestic market for cattle of similar quality. What I have in mind is this, that if we are selling only .5 per cent of our cattle in Britain, and if the price received there has no effect upon the price received in Canada, then the market conditions and costs of selling in this country are matters of very great importance, seeing that we have 99½ per cent of our cattle to be disposed of here.

The CHAIRMAN: It must be remembered that in arriving at that percentage of cattle sold abroad, the total cattle population of the country was taken into consideration, and that includes milk cows, calves and cattle of one and two years old. Of the beef cattle that are ready to go on the market, the percentage that is shipped overseas is much larger than .5. In some years we have shipped far more cattle than we did last year; there have been years when we have sent 140,000 to 150,000 head of cattle to the United Kingdom.

Hon. Mr. SHARPE: Is it the intention to investigate the charges made by the abattoirs?

The CHAIRMAN: I think that is one of the things we should consider, but I shall be guided by the Committee. I know that Mr. McCallum, who is here, is very well posted on these things, and we hope to hear him later.

Hon. Mr. LITTLE: Mr. Chairman, I am sorry to say that I was out when Mr. Rothwell started to speak, and I do not know if we have a record of the export of cattle to the United States, the Argentine and Great Britain over a period of years.

Mr. LIGHT: The figures can be obtained and given here.

Mr. ROTHWELL: The Minister referred this morning to one of the most prominent British buyers, Brown of Manchester. I had occasion to talk to Mr. Brown on his last visit and I was rather anxious to get his opinion of the quality and suitability of our cattle, particularly in view of some criticisms that we have heard. The Minister referred to those criticisms and mentioned the difficulty connected with grading cattle in this country. He pointed out that from 85 to 87 per cent of the cattle that we export are now being bought here by the exporters. As I say, I wanted to know what Mr. Brown thought of our cattle, and he said "Don't let anyone tell you that your cattle are not suitable for our trade." It must be remembered, honourable gentlemen, that he is an expert, a man who has been in that business for a long time. He also said "If I were bringing a ship-load of cattle from Canada I should want a representative selection all the way from the top quality selected steers right down to bulls, because in my business we can find a place for all of them. In the city of Manchester and district, with a population of some eight millions, we have a demand for beef that is not too fat and that must be within certain price limits. We have the markets in Great Britain for every kind of cattle that you produce, if we can buy at the right price." That is the opinion of a practical man, and it differs from some of the theoretical opinions that we get at times from some of our trade representatives in the Old Country.

Hon. Mr. FORKE: Mr. Brown's ideas suit us better.

Mr. ROTHWELL: Yes. He also said that they had been getting too many old and rough cattle from Canada.

Hon. Mr. SINCLAIR: When you refer to old cattle do you mean heavy cattle?

Mr. ROTHWELL: Yes. They want them lighter. The question was raised this morning as to whether cattle should be sent from this country finished or in store condition. I think it depends upon where the cattle come from. The Westerner should finish his cattle, because he has lots of grain to feed them. In recent years he has been able to feed his cattle such large quantities of grain as would appear impracticable to our feeders in the East.- In Ontario we have different conditions, and we are in a position to use alfalfa, peas and clovers and roots, feeds that will make a young animal grow but will not necessarily fatten it. And there is a great market in the Old Country for young, lightweight cattle with a little breeding. In the past when a man could ship a 1,500-pounds steer as cheaply as he could ship a 700-pounds steer, he was inclined to send the heavier animal. At the present time animals 1,000 lbs. and under are eligible to a 10% cut on the rate of \$12 applying on heavier cattle. I think you will find that there may be a change made eventually in the fitting of boats, so that it would be possible to ship six young cattle as cheaply as four or five can be shipped now. And once that is done there should be a great increase in the number of younger and lighter animals shipped to Britain.

Hon. Mr. SINCLAIR: Are animals now not being shipped on the space basis?

Mr. ROTHWELL: Yes and five on the space for four where possible, but we should like to see it extended one more.

Hon. Mr. SINCLAIR: Would six go in the place of four?

Mr. ROTHWELL: I am told so in the case of fed calves when the day-out of the accommodation is charged.

Hon. Mr. SINCLAIR: Have you any record of the cost per head of transporting calves?

Mr. ROTHWELL: I can get them from Mr. Light here. These figures are approximately the total expenses per head of cattle on shipments from various points in Canada. They are based on an average weight of 1,100 pounds.

Hon. Mr. SINCLAIR: I was referring to the shipment of calves.

Mr. ROTHWELL: The figures for calves would be at the 10 per cent cut from \$1,200. These are approximate expenses on shipments of cattle originating at Calgary, Edmonton, Saskatoon, Moose Jaw, Toronto, and so on. Of course costs vary on every shipment according to time factor, weights and climates conditions. From Calgary the total approximate expense per head is \$37.66; Saskatoon \$37; Moose Jaw \$36; Winnipeg \$33 and Toronto \$27.54.

Hon. Mr. BUCHANAN: That is from Calgary to where?

Mr. ROTHWELL: That is the total approximate expense, including overland expense and the maritime expense, right through sale at British ports. That is the full expense on both land and water.

Hon. Mr. SINCLAIR: Selling and everything else?

Mr. ROTHWELL: Yes, everything is included here.

The CHAIRMAN: Some mention was made of an Old Country buyer or buyers purchasing the bulk of our cattle that are exported. Is there only one firm of buyers represented?

Mr. ROTHWELL: No, three firms have been buying in Canada. They buy through their agents in this country, as you know. Our own people are not consigning very much. As was stated here, it is only the ranch man, or the man who has a large area of grass, who is doing any consigning worthwhile at the present time.

The CHAIRMAN: Is there any possibility that if the present trend of purchasing by those exporters were followed up that it might come to the point where it would limit competition?

Mr. ROTHWELL: We have been wondering in the Department whether the stabilized pound might not change the situation somewhat. In the future more farmers or producers may be desirous of shipping their own cattle.

Hon. Mr. GILLIS: If I may digress for a moment from the cattle question, I might say that there was an interesting shipment of turkeys made from Saskatchewan last year. I think about 20,000 were shipped. The purchases were made by the Pool who advertised that they would have a car at different towns on certain dates. The people all around that section of the country came in with their turkeys, comparatively few of which were selected. It was a trial shipment and I imagine that those in charge of it wanted to make the very best possible impression on the British market. But in consequence of such a comparatively few birds being bought, there was a surplus available and for a week or ten days you could get a good turkey for fifty cents. What brought that to my mind was the reference to shipping mixed grades of cattle, and I was wondering whether in future it would not be possible to ship the lower as well as the higher grade of turkeys. I understand that the farmers who did sell their birds for that shipment realized 19 cents a pound for them.

Mr. ROTHWELL: Of course, sir, it would not pay to go too far down in the grades. Our B grade was popular, but if we went much farther down the scale it is doubtful whether we would realize enough money in the Old Country to

make the business worthwhile. We have a very complete report on that shipment of turkeys.

Hon. Mr. GILLIS: I imagine that the experience will have a wholesome effect upon the farmers, that they will look after their birds better in the future.

Mr. ROTHWELL: I imagine it has had that effect already.

Hon. Mr. BUCHANAN: You spoke about Old Country cattle buyers. Are they in the country steadily?

Mr. ROTHWELL: The Old Country firms have their representatives here. They are on the stockyards.

Hon. Mr. BUCHANAN: I saw that the representative of one firm was in Saskatchewan a few weeks ago.

Mr. ROTHWELL: That was Mr. Brown of Manchester. He was buying personally at that time, but he has his representatives. He has gone home now.

Hon. Mr. BUCHANAN: They have no commission business? They buy directly?

Mr. ROTHWELL: I do not know what the arrangement is.

The CHAIRMAN: The firm has agents, and they have subagents purchasing for them.

The Committee adjourned until Tuesday, April 11, at 10 a.m.

THE SENATE OF CANADA



PROCEEDINGS

OF THE

STANDING COMMITTEE

ON

AGRICULTURE AND FORESTRY

Re,—Conditions of Export Trade in Cattle and the
Cattle Industry Generally

No. 2

The Honourable J. J. Donnelly, Chairman.

WITNESSES:

Mr. P. E. Light, in charge of Market Service Branch, Department of
Agriculture, Ottawa, Ontario.

Mr. J. M. McCallum, in charge of Stock Yards Service Branch, Depart-
ment of Agriculture, Ottawa, Ontario.

STANDING COMMITTEE ON AGRICULTURE AND FORESTRY

The Honourable J. J. DONNELLY, *Chairman.*

The Honourable Senators:

Bénard,
Black,
Buchanan,
Burns,
Donnelly,

Forke,
Gillis,
Little,
McGuire,
Pope,

Raymond,
Riley,
Sharpe,
Sinclair,
Smith.

ORDER OF REFERENCE

*Extract from the Minutes of the Proceedings of the Senate of Canada, Tuesday,
April 4, 1933*

Resolved,—That the Standing Committee on Agriculture and Forestry be authorized to consider and inquire into the conditions of export trade in cattle and the cattle industry generally.

MINUTES OF EVIDENCE

THE SENATE,

WEDNESDAY, April 12, 1933.

The Standing Committee on Agriculture and Forestry resumed this day at 10.30 a.m., in room 367.

Hon. Mr. Donnelly in the Chair.

The CHAIRMAN: We have two gentlemen here representing the Department of Agriculture, Mr. McCallum and Mr. Light.

Mr. LIGHT: What I have to say will be more or less a continuation of Mr. Rothwell's remarks.

The CHAIRMAN: Very well, Mr. Light. Will you please come up here?

Mr. P. E. LIGHT (in charge of Markets Service Branch, Department of Agriculture): Mr. Chairman and gentlemen, I have had the opportunity of reading over the Hon. Mr. Weir's statement and also the statement of Mr. Rothwell. My evidence will be very much along the same lines. I do not know that there is very much that I can add. We did promise to let you have a statement covering the export trade of Canada to the United States and Great Britain over a period of years. I have here a statement, which I can turn over to the official reporter, giving the exports to those two countries and elsewhere for the period from 1868 to 1932. It is of historical as well as of immediate value. It is very interesting from the point of view of the fluctuation of our trade with the United States and Great Britain. I have not shown the changes in the United States tariff on this statement, but if you require them I could procure them for you. The changes in duties have had a great bearing on the change of movement from one market to the other. I will send a statement to you this afternoon.

CANADIAN CATTLE EXPORTS

To	Great Britain	United States	Other Countries	Total No.	Total Value
					\$
1868		40,667	3,775	44,442	1,099,940
1869		61,967	3,284	65,251	1,427,761
1870		104,609	3,122	107,731	3,006,878
1871		77,550	2,063	79,613	2,278,554
1872		19,454	2,984	22,438	631,228
1873		22,391	3,246	25,637	655,594
1874	63	36,671	2,889	39,623	951,269
1875	455	34,651	3,862	38,968	823,522
1876	638	20,809	3,910	25,357	601,148
1877	4,007	13,851	4,798	22,656	715,750
1878	7,433	17,657	4,835	29,925	1,152,334
1879	20,587	21,316	4,666	46,569	2,096,696
1880	32,680	16,044	6,220	54,944	2,764,437
1881	49,409	7,323	5,545	62,277	3,464,871
1882	41,519	15,914	4,673	62,106	3,256,330
1883	37,894	23,280	5,222	66,396	3,898,028
1884	53,962	30,593	4,708	89,263	5,681,082
1885	69,446	67,758	5,799	143,003	7,377,777
1886	60,549	25,338	5,979	91,866	5,825,188
1887	63,622	45,765	6,887	116,274	6,486,718
1888	54,248	40,047	6,452	100,747	5,012,713
1889	60,000	37,360	5,559	102,919	5,708,126
1890	66,965	7,840	6,649	81,454	6,949,417
1891	107,689	2,763	7,309	117,761	8,772,499
1892	101,426	551	5,202	107,179	7,748,949
1893	59,904	402	6,918	107,224	7,745,083
1894	80,531	256	5,270	86,057	6,499,597
1895	85,863	892	7,057	93,802	7,120,823
1896	97,042	1,646	5,763	104,451	7,082,542
1897	120,063	35,998	5,308	161,369	7,159,388
1898	122,106	87,905	2,999	213,010	8,723,292
1899	115,476	92,834	3,537	211,847	8,522,835
1900	115,056	86,989	3,479	205,524	9,080,776
1901	119,050	46,244	3,985	169,279	9,064,562
1902	148,927	31,743	3,803	184,473	10,663,819
1903	161,170	10,432	5,178	176,780	11,342,632
1904	148,301	3,517	5,599	157,417	10,424,671
1905	159,078	3,696	4,328	167,102	11,360,969
1906	163,994	4,726	7,310	176,030	11,656,829
1907	149,340	8,184	4,617	162,141	10,932,539
1908	124,015	23,612	3,366	150,993	9,301,184
1909	143,661	16,130	3,154	162,945	10,771,366
1910	140,424	12,210	4,752	157,386	10,792,156
1911	113,795	7,576	3,552	124,923	8,537,473
1912	47,868	9,807	3,842	61,517	4,098,179
1913	9,878	180,383	3,453	193,714	7,236,535
1914		145,722	2,223	147,945	8,559,409
1915	1,752	179,016	12,584	193,352	12,443,755
1916		104,227	2,051	106,278	6,875,274
1917		148,077	1,967	150,044	13,637,179
1918		200,666	2,815	203,481	20,735,148
1919	159	453,606	13,877	467,642	49,409,106
1920	320	236,642	3,698	240,660	22,684,831
1921	33,073	135,257	6,242	174,552	9,340,368
1922	18,475	189,760	4,537	212,772	7,784,016
1923	57,672	96,873	6,226	160,771	10,126,721
1924	79,435	97,847	5,960	183,242	12,622,863
1925	110,868	86,748	6,762	204,378	15,859,562
1926	79,985	92,962	3,396	176,343	12,222,848
1927	8,263	204,336	3,610	216,209	12,496,582
1928	405	166,469	2,402	169,276	12,977,477
1929		160,103	2,529	162,632	11,770,085
1930	5,400	19,483	2,671	27,554	2,651,532
1931	27,149	9,159	3,909	40,217	3,348,748
1932	16,568	9,010	2,886	28,464	2,054,514

UNITED STATES TARIFFS ON CANADIAN CATTLE

October 1, 1890 to 1894.....	\$10 each
August 27, 1894 to 1897.....	20%
July 24, 1897 to 1909.....	*
August 5, 1909 to 1913.....	*
October 3, 1913 to 1921.....	Free
May 27, 1921 to 1922.....	30%
September 22, 1922 to 1930.....	Over 1,050 lbs. 2c. Under 1,050 lbs. 1½c.
June 18, 1930.....	Over 700 lbs. 3c. Under 700 lbs. 2½c.

*Cattle valued below \$14 each, \$3.75 per head. Valued over \$14 each, 27½%.

We also promised to let you have a statement as to the volume of movement from the Argentine Republic to the United Kingdom market, the Argentine being a competitor of Canada in the British meat trade.

Hon. Mr. SHARPE: Can you include in that statement the live cattle and the frozen cattle shipped?

Mr. LIGHT: There are no live cattle shipped from the Argentine to either the United States or Great Britain. The health regulations do not permit it, on account of Foot and Mouth Disease in the Argentine Republic. The statement is in terms of beef, but it can be changed to animal equivalent by dividing the number of pounds by six hundred.

Hon. Mr. GILLIS: Is it all frozen meat?

Mr. LIGHT: The majority of it is chilled. I think Australia is the chief producer of frozen beef. The Argentine having perfected methods of "in transit" refrigeration, there has been a decided swing to chilled beef. But the main motive in making the conversion was the fact that the preference of Great Britain was for chilled beef as against frozen beef the latter a lower priced commodity. The only reliable market for frozen beef was beginning to show in Europe.

Hon. Mr. GILLIS: Chilled beef brings a higher price, I suppose?

Mr. LIGHT: Chilled beef brings a higher price than frozen beef, yes.

In 1932—that is the calendar year—Great Britain imported, in round figures, 655,000 long hundredweights of frozen beef from the Argentine, and 7,806,000 long hundredweights of chilled beef. You can see the preponderance of chilled beef over frozen beef. Australia supplied Great Britain with 957,000 long hundredweights of frozen beef, so that she was the chief source of that commodity.

Hon. Mr. GILLIS: Australia did not send any chilled beef?

Mr. LIGHT: There might be small parcels, but not sufficient to record separately from the total.

Hon. Mr. BUCHANAN: Do you know what Great Britain's total imports of beef, either live or frozen, would amount to in a year?

Mr. LIGHT: Yes, sir, I can give you that. This report I am referring to in this inquiry is in proof form, is not yet published; otherwise I would turn in a copy.

In 1932 Great Britain imported 745,904 live cattle from Ireland; that includes the Free States and Northern Ireland. That is quite a drop from the imports of previous years.

Hon. Mr. BURNS: As compared with other years.

Mr. LIGHT: Yes. The heaviest volume imported in the past five years from Ireland was in 1930, namely, 961,000 live cattle. To make this record complete, we must have the imports from Canada. Ireland and Canada are the only two sources of live cattle imports to the United Kingdom.

Hon. Mr. BURNS: For the past couple of years have any cattle come from the United States to England?

Mr. LIGHT: Some beef, but no cattle.

Hon. Mr. BURNS: They used to ship a lot of cattle.

Mr. LIGHT: Yes, but the market of the United States is not on an export basis at the present time. They have not the shipping accommodation; their cattle would have to be shipped through Canadian ports. The last advice we had was that they did not consider it feasible.

The imports of live cattle into Great Britain from Canada in 1932 amounted to 16,568 head. The imports of Canadian beef to Great Britain for the same year amounted to 1,478,500 pounds. If we add to that the total imports of dressed beef, that is, chilled and frozen, we shall have the total volume bought by the United Kingdom.

The total imports of frozen beef were 2,565,450 long hundredweights. That is, a hundredweight of 112 pounds. The total imports of chilled beef were 8,800,414 long hundredweights.

The CHAIRMAN: That is not including the beef from Canada, or is that the total?

Mr. LIGHT: That would be included in the whole total.

Hon. Mr. BURNS: There is no dressed beef going from Canada?

Mr. LIGHT: There is what you might call a catch trade—trade in small parcels.

Hon. Mr. BUCHANAN: You say that is based on an average of 600 pounds to the animal?

Mr. LIGHT: There is no exact figure. I would say if you divided that by 600 pounds you would get the approximate equivalent of live animals.

Hon. Mr. BURNS: That is close enough.

Mr. LIGHT: The Argentine cattle are pretty substantial and dress fairly high. I think that is a moderate estimate.

Hon. Mr. BURNS: Very moderate.

Hon. Mr. GILLIS: That is 600 pounds dressed?

Mr. LIGHT: Yes. I do not know that there is anything further I can give you of importance. If there are any points you would like me to touch on I shall be glad to do so. I did think that if you had the patience I might give you a brief outline of our market service in the Live Stock Branch of the Department of Agriculture, since that would serve as an introduction to what Mr. McCallum has to say with reference to the stockyard administration. If that is your wish I could do it very briefly.

The CHAIRMAN: Yes, we shall be pleased to hear you.

Hon. Mr. GILLIS: Do you deal with the question of space on the boats?

Mr. LIGHT: I had not intended to. I was going to give you an outline of our market service machinery, but if you wish me to say something about space I can do so.

The markets services of the Live Stock Branch of the Department of Agriculture are divided into two phases: one, the Market Intelligence Service, through which we supply to the producer, the trade and other interested parties, an official source of information on supply and demand, particularly with reference to the home market, but also in connection with our foreign trade in so far as it affects conditions at home.

Hon. Mr. SINCLAIR: Mr. Light, how near is that information up to date when it is sent out?

Mr. LIGHT: I was going to touch on that later.

Hon. Mr. SINCLAIR: All right, go ahead.

Mr. LIGHT: We send out telegraph reports every day over the Canadian Press, and we also distribute the information over the radio daily from all market centres.

Hon. Mr. SINCLAIR: You are speaking generally now, not wholly in connection with beef cattle?

Mr. LIGHT: I am speaking of all classes of commercial beef animals sold on the public stockyards or through other sale mediums.

Hon. Mr. BURNS: Sold in Canada?

Mr. LIGHT: Yes.

As you will understand, the stockyards are located at various points in the Dominion. Mr. McCallum, of course, will touch on that. The stockyard agents and their staff administering the Live Stock and Live Stock Products Act, in so far as it affects stockyard procedure, sale, and other services—these technical live stock men are the nucleus for the Markets Intelligence Service, and they are constantly in touch with their market. They have access to all sources of information covering supply and demand for the particular market with which they are dealing, and are able to produce for the farmer and other parties interested not only very reliable information based on actual sales from scale tickets, but information that is couched in terms that the producer can understand and interpret to his advantage.

Hon. Mr. FORKE: Where is that published?

Mr. LIGHT: We issue daily press reports from the stockyards at Montreal, Toronto, Winnipeg, Calgary, Edmonton, Saskatoon, Moose Jaw and Prince Albert.

Hon. Mr. FORKE: That letter that appears each day with the markets comes from your department?

Mr. LIGHT: Yes, that is an official report from our department. And then we issue a weekly summary, an analysis of the trade with comparisons with previous years and comments on foreign markets, with the object of relating these daily reports with the general situation.

Hon. Mr. FORKE: We sometimes think the prices in these reports are a little too high, especially for lambs. I have never seen lambs bring the prices that the stockyards publish.

Mr. LIGHT: Well, the prices are authentic. Of course, there are sales made above the general market or above the rank and files of producers stock. But the average prices that we quote are a true index to the condition of the market. All sales are off scale tickets therefore are actual transactions. Briefly, the object of this service is to offset or to eliminate unreliable sources of information available to the producer in the sale of his live stock, and I think we have done that. Practically every farm newspaper in Canada, the local press as well and the daily press use our reports exclusively, and we have also a large mailing list of bona fide farmers, not one of whom was put on offhand but every one of whom requested that he should receive these reports. They are given this service every week. I might say we also serve the province of Quebec; we produce a special report in French too, for their benefit.

There is another phase of the Market Intelligence Service and that is this. Since our men are in touch with the sources of production through the bills of lading which come in, and live stock count, we have been able during the past fifteen years to build up an actual record of the movement of live stock out of every shipping point in the Dominion. In that way we can feel the pulse of the industry and detect movements indicating improvement, or sometimes deterioration, in production. And we intend to use that for marketing policy and as a basis for estimating eventually the prospective supplies so that with reference particularly to the British market we shall be able to advise the British

Ministry of Agriculture as to the probable extent of our commitments. And that is very necessary under the quota system. Particularly with respect to bacon, because we are asked to state fairly definitely for a period of six months in advance the approximate volume of the bacon that will be exported from Canada. And in order to do that, of course, we have to have very close contact with the conditions of production. We have already made contact with Ontario and are proceeding now with a mutual program. We expect to make contacts with the Western Provinces, to enlist the services of all provincial departments, and between us to build up a system whereby we shall know every three months, every quarterly period during the year, the approximate production of pigs and their condition, and on that basis be able to estimate about what volume will be coming forward for the public consumption, that is to the stockyards and the packing plants, and then the probable volume of bacon for export.

Hon. Mr. BURNS: Can you state offhand how many cattle are used a year in Canada?

Mr. LIGHT: Well, the visible supply, the number that came to the stockyards in 1932, was 569,633. There is no exact basis for figuring the annual liquidation of cattle. This is only a portion of the supply. But it is estimated that approximately 22 per cent of the total population is liquidated annually. However, that is only an approximate figure.

Hon. Mr. GILLIS: Is the figure that you quoted approximate?

Mr. LIGHT: Those are actual sales through the nine public stockyards in Canada.

The CHAIRMAN: Does that include the cattle that were shipped direct to the slaughter houses?

Mr. LIGHT: No.

The CHAIRMAN: They do not come through the yards, do they?

Mr. LIGHT: They may, on through billing. The volume of direct-shipped cattle is small. We have that information in another report, which is not available yet. We have to make a separate count of that.

Hon. Mr. RILEY: What is your estimate of the country-killed that year, Mr. Light?

Mr. LIGHT: I will have to figure that out. I could not tell you that offhand.

Hon. Mr. RILEY: Roughly?

Mr. LIGHT: Well, I could not even state it roughly. We are working on that just now, as a matter of fact, but I could not even make a guess on it. But if you want that I could let you have it along with the other statement promised.

ESTIMATED CATTLE SLAUGHTERINGS IN CANADA

Cattle on farms, 1932.....	8,511,100
Estimated total liquidation 20%.....	1,700,220
Estimated farm killings 25%.....	425,055
Inspected packing plant killings.....	936,791
Exported alive.....	28,464
Killed elsewhere in Canada, local butchers and town killings.....	309,910

Hon. Mr. SINCLAIR: Mr. Light, in getting your information from the stockyards in regard to the markets, do you feel that there is a fair competition among the buyers?

Mr. LIGHT: I think that is a question that Mr. McCallum might perhaps answer, rather than I. I have my opinion, but my opinion on that would not be official. I would prefer to leave that to Mr. McCallum, if you do not mind.

Hon. Mr. SINCLAIR: That is quite all right. It is a very important point with the producers.

Mr. LIGHT: Yes, extremely so. I might say that the Stockyards Administration and the Markets Intelligence are like twins. It would be pretty hard to divorce one from the other without causing deterioration in both or either. The providing of efficient facilities for the liquidation of our annual livestock surplus is just part of a general scheme for giving to the producers the most efficient all-round service that we can in securing for his livestock its maximum value.

Hon. Mr. SINCLAIR: Mr. Light, I do not want to press you for an opinion, but if your opinion is one way would it not affect the information that you are sending out to the people?

Mr. LIGHT: No, we report the market as is off scale tickets.

Hon. Mr. GILLIS: As you find it?

Mr. LIGHT: Exactly.

Hon. Mr. SHARPE: And you watch both this market and the English market as well?

Mr. LIGHT: We do.

Hon. Mr. SHARPE: We were told the other day that we have some British buyers here at the present time. In your opinion are they paying a fair price?

Mr. LIGHT: They are paying competitive prices.

Hon. Mr. SHARPE: Are they paying fair prices?

Mr. LIGHT: They are. They are paying all the export trade will bear, and in some cases a little more.

Hon. Mr. SHARPE: The reason I ask is that someone said these people had taken up all the space, and I was wondering if they were paying a fair price.

Mr. LIGHT: They are, sir. The fact that they have that space would be an incentive to them to protect themselves in the way of volume. It is an urge to get the cattle to fill the space.

Hon. Mr. SHARPE: They might get the volume and not pay a fair price.

Mr. LIGHT: They have, sir. They are paying a competitive price.

The CHAIRMAN: Now we will hear from Mr. McCallum.

I understand, Mr. McCallum, that you are going to give some evidence in regard to the operation of stockyards. I think it is only fair to say to you that the Committee proposes to hear some producers and drovers as well as representatives of the live stock exchanges, later on. We would be glad to get whatever information you can give us now, and possibly at a later date we will call upon you again.

Mr. J. M. MCCALLUM (Stock Yard Service Branch, Department of Agriculture): Mr. Chairman and gentlemen, I may say that any information that I have to give is based on actual operations of stockyards and live stock exchanges, and is given by me as the officer of the Dominion Live Stock Branch who has been charged with the administration of this Live Stock and Live Stock Products Act, which takes considerable control over stockyards and exchanges. I have a brief only for our department, and not for the stockyards or live stock exchanges. Any evidence I have to give now or later will be based on that fact.

I wonder if I may take a moment to answer a question that was put to Mr. Light by the Hon. Senator Forke and Hon. Senator Sinclair regarding reporting prices. Our market representatives at the several stockyards have explicit instructions to report daily the market as it is. Should there be a rise or fall for which there is no apparent reason, that is not to be taken into consideration. The actual prices officially marked on the official sale tickets, are the basis. We are very proud of the promptness and accuracy with which we get these details to the producers of live stock.

Hon. Mr. SHARPE: Who sends you these reports?

Mr. McCALLUM: Our own representatives, sir, at the stockyards, who have charge of the administration of the Act, compile these reports from actual sales every day.

Our system of marketing live stock in Canada is modelled more along the lines of the American system than the British system. In the Old Country they have the system of many small auctions throughout the land, but here, I suppose on account of the long distances which live stock have to be brought, and also by reason of the fact that our centres of population are not many, it is only reasonable that stockyards should grow up at the centres of population—Montreal, Toronto, Winnipeg, Moose Jaw, Calgary, Edmonton, Saskatoon and Prince Albert. Those are the centres at which stockyards are now established. It is not strange, either, that the packing house industry should be located at those same centres.

I may say that we have no public stockyards in Canada east of Montreal. All of the surplus stock produced in the Maritime Provinces—and that refers particularly to lambs and hogs—is marketed in Montreal. At the present time we have no stockyard west of Calgary and Edmonton, although a small stockyard in Vancouver is being brought under the jurisdiction of the Act. This puts the province of Alberta in more or less a strategic position. As well as having the eastern outlet furnished by Ontario and Britain, they have the outlet for the great trade at Vancouver, and a very large percentage of the good beef cattle used in the packing houses in Vancouver are taken from the province of Alberta, as well as a great number of hogs and a considerable volume of lambs. This puts the province of Alberta in a pretty fair position so far as domestic demand is concerned.

I have mentioned that there are nine different stockyards in Canada. No two of them are alike. Each has its own peculiarities. When live stock gets to Montreal it gets to the end of the road as it were; there is very little purchasing of thin animals at Montreal for feeding in the province of Quebec, and practically all the stock that reaches Montreal has to be sold to the packers or small butchers of Montreal for immediate slaughter, or to the dairy men, who purchase a good many cows.

Toronto is somewhat different. It is more of a distributing centre. As well as supplying the packers and small butchers, they receive a large number of feeder cattle to be distributed to the farmers of Ontario.

Winnipeg is in a position which might be compared to the neck of a bottle. You will recall that when our trade in cattle to the United States was fairly lively, nearly all the cattle coming from west of Winnipeg had to go through that neck of the bottle. Likewise when they were coming east to Ontario or to Britain, Winnipeg was in a very strategic position for handling a large volume of stock.

I have already dealt with the stockyards in Alberta, which have a splendid outlet to the Pacific coast.

All those stockyards were established and in operation before the Live Stock and Live Stock Products Act was put on the statutes in 1917. Live stock exchanges were operating at most of those places before that, consequently the department took jurisdiction over the stockyards and exchanges as they were at the time, and have been exercising control over the operation of both stockyards and exchanges ever since.

There seems to be a great deal of confusion in the minds of many people as to what a stockyard is. When they speak about stockyard charges they include commission merchant's charges. The stockyards and the live stock exchanges are two separate entities, each operating under its own scale of charges and its own rules and regulations, which have been approved by the Minister of Agriculture. The stockyard company furnishes the building, the plant. In fact, the stockyard company is not much more than a warehousing

proposition, receiving the live stock, taking care of it and feeding it until it is sold, and taking care of it for the purchaser, after it is sold, until it is released. It is responsible for the proper care and attention and feeding of the live stock in its control. It neither buys nor sells live stock. It has one thing only to sell, and that is service, and for that service it makes certain charges.

Hon. Mr. SINCLAIR: Do the charges cover the expense after the stock is sold until it is delivered?

Mr. McCALLUM: Yes, they do; the yardage does. The stockyards have three sources of revenue. First is the unloading charge. Every stockyard in Canada receives an unloading charge of one dollar per car of live stock delivered to it by rail, which is identically the same charge which the railway makes at a feeding-in-transit station at, for instance, White River and Hornepayne. You know, live stock cannot be confined more than thirty-six hours on a train without feed, resting and water. Consequently on that haul between Winnipeg and Montreal they have these feeding stations where they unload and feed and rest the cattle five hours. The stockyard unloading charge is identically the same as the railway unloading charge, \$1 per car.

Hon. Mr. BURNS: They do not charge \$1 at White River?

Mr. McCALLUM: Yes, for loading and unloading.

Hon. Mr. GILLIS: Who gets that?

Mr. McCALLUM: The railway company. That is added to the transportation charges.

Hon. Mr. BURNS: I have been shipping cattle for the last forty years and never knew that before.

Hon. Mr. GILLIS: This Committee is worth something after all.

Mr. McCALLUM: The next source of revenue is yardage. The basic charge by a stockyard company for the use of all the facilities that are offered for the accommodation of live stock while they are confined in a yard is known as yardage.

Hon. Mr. GILLIS: Are those charges outlined in the Act, or are they fixed by the minister?

Mr. McCALLUM: They are submitted by the stockyard company for the minister's approval, and when approved may be collected by the stockyard company in a legal way. I may say that our yardage charges on Canadian yards are the lowest on the American continent. I make that statement unreservedly. Our yardage charges in the main—there are two exceptions that I shall mention later—are for cattle: Twenty-five cents per head; calves up to 300 pounds, ten cents per head; and up to 400 pounds at the places in the West where they have the 400-pound minimum, fifteen cents per head.

Hon. Mr. GILLIS: Per day?

Mr. McCALLUM: No, sir. Yardage is never collected twice on live stock at a stockyard. It matters not whether a steer is in the stockyard one day or six, the charge for the use of all the facilities of the yard is twenty-five cents.

Hon. Mr. GILLIS: For any period?

Mr. McCALLUM: For any period.

Hon. Mr. BUCHANAN: What does the yardage charge cover?

Mr. McCALLUM: The use of the whole stockyard plant—the confining of the animals in pens protected by the gate locks of the stockyard company; the furnishing of running water at all times; the supplying of attendants to feed, and bed and clean the pens; the use of the weigh scales, which are regularly tested by officers of the Weights and Measures Department, and are also tested every week by the mechanics of the stockyards' own service; the use of weighmasters

who are approved by the minister—they must not use weighmasters whose names have not been submitted to the minister and approved by him; the issuance of scale tickets showing the date, the weight, the owner, the commission merchant, the class of stock weighed and the price. That is the service that a patron of the stockyard gets for his yardage. That applies to cattle, hogs, sheep and swine. The charge is ten cents for calves at eastern yards, fifteen cents at western yards; six cents a head for hogs, five cents for sheep, except in Alberta. There at Edmonton and Calgary they get eight cents a head for hogs, seven cents a head for sheep, and thirty-five cents a head for cattle. In 1921 those two stockyard companies appealed to the Live Stock Associations in Alberta and the Western Live Stock Union, and to this department, pointing out from their actual records that they were not breaking even, that they were initiating yards and had not the benefit of through billed stock, the same as applied at Toronto and Winnipeg. On the basis of those representations they were given an increase of ten cents on cattle, five cents on calves, two cents on hogs and two cents on sheep.

Hon. Mr. SINCLAIR: Were those advanced rates approved by the Live Stock Associations of Alberta?

Mr. McCALLUM: Yes, sir, through the Western Canada Live Stock Union.

The CHAIRMAN: You said, Mr. McCallum, that an animal may be allowed to remain as long as the owner wishes in the stockyard. I suppose the fact that he has to pay for the feeding of that animal will prevent him from keeping it there longer than is necessary, it being more expensive to feed live stock in a stockyard than outside.

Mr. McCALLUM: Yes, it is the most expensive place to feed an animal.

Hon. Mr. BURNS: They get yardage and the feed.

Hon. Mr. FORKE: Who has the right to supply feed to the stockyard?

Mr. McCALLUM: I will answer that question as we go along. The stockyard company buys its own feed. It will not allow its patron to bring in his own feed. That is one of their sources of revenue.

To justify my statement that yardage in Canada is the lowest on the American continent, I will give you the actual yardage charges at several of our leading American yards. In Buffalo the yardage on cattle is twenty-eight cents per head when fed in the yard, and fifty cents when not fed. At Chicago the yardage on cattle per head received by rail is thirty-five cents, by truck forty cents. It is the same at St. Paul and Kansas City. That is in comparison with our average yardage on cattle per head of twenty-five cents, except at those two yards in Alberta that I have mentioned—Calgary and Edmonton. On calves, while our general yardage is ten or fifteen cents per head, at Buffalo it is twenty-five cents per head when fed in the yard, thirty-five cents when not. At Chicago, St. Paul and Kansas City it is twenty-five cents per head when received by rail, twenty-seven cents per head when received by truck.

The yardage on hogs per head in eastern Canada at the two yards in Montreal and Toronto is six cents per head; at Moose Jaw it is also six cents per head; at Winnipeg seven cents per head; at Calgary and Edmonton eight cents per head when received by rail; at Edmonton and Saskatoon when received by truck, twelve cents per head. At Buffalo when fed, twelve cents per head, when not fed twenty-two cents per head. At Chicago, St. Paul and Kansas City the yardage on hogs received by rail is twelve cents per head, when received by truck fourteen cents per head.

Hon. Mr. SINCLAIR: The figures you quoted for Buffalo gave a lower rate per head when fed than when not fed.

Mr. McCALLUM: Yes.

The CHAIRMAN: There is a separate charge for feeding. He is quoting yardage charges.

Mr. McCALLUM: Do you wish me to quote lambs as well?

Hon. Mr. BURNS: It will be all right.

Mr. McCALLUM: At Montreal, Toronto and Moose Jaw the yardage on sheep and lambs is five cents; at Winnipeg, six cents; at Calgary and Edmonton, seven cents; at Buffalo when fed, eight cents, when not fed, fourteen cents; at Chicago, St. Paul and Kansas City, eight cents per head by rail, ten cents per head by truck.

Hon. Mr. SINCLAIR: You gave us a higher service charge at Buffalo when the cattle are not fed.

Mr. McCALLUM: Yes.

Hon. Mr. SINCLAIR: When they are fed there will be more service. Why is the charge lower?

Mr. McCALLUM: When they are fed they get twenty-eight cents yardage, but the owner is charged a profit on the feed consumed. When not fed they get fifty cents per head.

The CHAIRMAN: Why is there a difference in the charge between truck and rail received stock?

Mr. McCALLUM: Animals brought in by truck are practically never fed. On rare occasions they may be fed at the stockyards, but these animals are on the truck from one to four hours only, they come off full fed from the owner's yard when loaded into the truck, and there is practically no food consumption at stockyards by trucked-in stock.

The increase in truck receipts is one of the very hard problems to administer properly to-day. Stockyard companies and the Department as well would like to know what is the best thing to do to properly regulate the truck receipts and have them bear their proper share of the stockyard revenue in comparison with stock received by rail. We feel to-day that the stock received by rail is at a disadvantage in comparison with the stock received by truck, as I shall try to point out later.

Hon. Mr. SINCLAIR: You quote a higher rate when the cattle are not fed.

The CHAIRMAN: Do you want Mr. McCallum to differentiate between yardage charges and yardage and feeding?

Hon. Mr. SINCLAIR: Is there any control exercised by your Department, Mr. McCallum, over the charges made for feed?

Mr. McCALLUM: Yes sir. But at our Canadian yards the yardage is a standard charge, whether the animals are fed or not, and Buffalo is the only market of which we have any record where they have a dual charge, so much when they are fed and so much when they are not. When the Livestock and Livestock Products Act was put on the statutes at the request of the livestock associations, the producers of Canada, this matter of yardage and feed was very thoroughly investigated. The yardage was purposely kept low for the purpose of encouraging as many animals to be marketed through the stockyards as it was possible. The spread on feed was allowed to be very wide, and it is wide. When you separate out the feed charge, the selling price of hay at our Canadian yards, from its setting in the picture, it is out of all proportion; but when you consider it in its proper setting in the picture it possibly is not so very far astray. A speculator—and we have a good many speculators at our yards—pays no yardage. A speculator can buy cattle from the commission merchants and he may hold them a day or a week until he can get a car load of a certain type to suit a certain customer. He pays nothing extra for this use of the yards, and the only contribution he makes to the stockyards is through the purchase of feed while his animals are kept in the yards. It has been suggested that when the livestock passes into the hands of a speculator a second yardage should apply as a means of reducing the average selling price of feed. But in discussing this

with the stockyard managers they claim that while the principle is sound, that when a speculator buys animals this morning and loads them out this afternoon he should be no more asked to pay a second yardage than should the packers' representative who buys his stuff this morning and has it retained in the yard during the afternoon and takes delivery in the evening. And if it were necessary to police the yards and follow the animals through, to keep track of those that are retained two or three days, the cost of policing would be just about as much as the extra yardage. The stockyard managers say that while they would be willing to try it out they do not think it would increase the revenue at all.

Hon. Mr. BLACK: Mr. Chairman, may I ask a question or two relative to the Maritime Provinces?

The CHAIRMAN: Certainly.

Hon. Mr. BLACK: Why not a stockyard in the Maritime Provinces? I may say that there are two counties particularly, Westmorland county in New Brunswick and the neighbouring county of Cumberland in Nova Scotia, which fifty years ago were the largest shippers and producers of stock in any part of Canada. I know from the record that it was an ordinary thing for five and six thousand head of cattle to go out or Sackville for the British market. Steamers were loaded repeatedly with both stall-fed and grass-fed cattle for the United Kingdom. Of course, that business was closed off very largely after the development of the West and the cheaper production of beef out there.

In those two counties of Westmorland and Cumberland there are the most fertile areas for the production of hay that can be found in Canada, on the alluvial deposit meadows at the head of the Bay of Fundy. There is a very large quantity of hay produced in that area, between five hundred and six hundred car-loads being shipped out of Sackville station every year. Because of the lack of demand, some of that hay has had to be burned, but the people are now coming back to the feeding of stock on a larger scale than in the recent past. It seems to me that there should be a stockyard at Amherst, Sackville or Moncton. Sackville is at the junction of the roads through which all Prince Edward Island empties its stock, but any one of the three places I have mentioned would be convenient for a stockyard, for they are all at the hub of the stock raising industry of the Maritimes Provinces. In view of what is happening down there now, what is in sight and what is bound to come, I submit that we should have some means for giving the people of the Maritimes the same opportunity of marketing their livestock as other parts of Canada have. There is no question about it that feed, particularly hay, is cheaper down there than elsewhere in Canada. There are between six and eight thousand tons of hay available annually at Sackville, and between four and five thousand tons more at Amherst and neighbouring stations. So far as my knowledge goes, there is a better opportunity in that district for the production of beef than in most parts of Eastern Canada.

I repeat, Mr. Chairman, that the time has come when there should be a stockyard established in the Maritime Provinces. I know that in the past members of the House of Commons have asked for one, but nothing has ever been done about the matter. To-day when the farmer in the East can get only \$2 for the best Timothy and grades No. 1 and No. 2 mixtures, he cannot live by selling hay. The result is that he is putting his surplus hay into beef, and he will continue to do that in the future on a much larger scale than in the past. We are up against just the same condition that existed forty or fifty years ago. I can remember the last shipments that went to the British markets by steamer. My father and my grandfather raised a large amount of stock, and there are records to show where they shipped. My grandfather's contribution would be three or four hundred head during the ordinary year. I think that opportunity should be made available by the department. It is very important, particularly

for these two agricultural centres, because they are the main beef centres, and always will be, of the Maritime Provinces.

Prince Edward Island is a large producer of stock, and the only place to get rid of it now is the local market in Charlottetown or Summerside. There may be an occasional shipment by boat to St. Johns, Newfoundland. Prince Edward Island, being purely agricultural, will go still more into the production of live stock as soon as an opportunity is afforded. They have hay at the Island, and they cannot dispose of it except by feeding. You have a station there where a little assistance from the department would be of very material benefit to the farmers of that section.

The CHAIRMAN: No doubt Mr. McCallum will explain the view of the department in regard to that.

Mr. McCALLUM: I know of no objection whatsoever to persons in the Maritime Provinces becoming interested in the marketing of live stock through a local stock yard, or to their establishing a stock yard and having it constructed according to the Order in Council regulations. If that were done I have not the least doubt the minister would be only too pleased to recognize it as a stock yard. But the Department of Agriculture does not build and equip stock yards; it has no interest in the building or equipment of any stock yard in Canada.

Hon. Mr. BLACK: They have the encouragement and control.

Mr. McCALLUM: After they are established, yes, sir. I have here a statement of the actual selling price of hay per ton. That is the great source of criticism at the present time. I have a statement showing the price per ton at which hay was sold last month and at which it is selling this month at our various stock yards, and also at the stock yards in the United States. I hesitate at this juncture to put it on the record, Mr. Chairman, for the reason that under the Order in Council regulations the stocks yards are required to file with the minister a statement of feed costs and selling prices from month to month throughout the year. These are more or less confidential, and we treat the information as such until authorized by the various stock yard companies to make it public. I should be very glad to give it to you if it were not to go into the record.

The CHAIRMAN: Very well.

(The statement was presented by Mr. McCallum.)

The statement was made before the Agricultural Committee of the Ontario House, by the General Manager of the Toronto Stock yards, that the total revenue of his company from yardage was just about equal to the expense of labour, and salaries of management for his yard. Figures given me in confidence by the manager of the Montreal stock yard—the new C.N.R. yard—are to the same effect, and information given in confidence by the manager of the Winnipeg yards is just about the same. The total revenue from the lower yardage charge just about balances the total expenses of labour and management. Therefore, the sole source of revenue of our stock yard companies to-day for repairs, replacements, and interest on investment, is the spread in feed. I must confess that I am not satisfied with that principle.

Hon. Mr. GILLIS: That applies to all stock yards?

Mr. McCALLUM: Yes, sir.

Hon. Mr. GILLIS: And this ten dollars profit per ton on hay is for—

Mr. McCALLUM: Replacements, repairs and interest on investments.

The stock yard managers met with us just one year ago in the offices of the department. Like ourselves, they do not think this method of building up the stock yard structure of charges is correct. They believe that the profit should be taken off the hay and that they should be allowed to get the same amount of revenue somewhere else. There is only one place they could get it, and that is from increased yardage. They are willing to sell their feed at cost plus a

handling charge, and to allocate the total amount received from profit on feed to increased yardage. That would mean ten cents per head on cattle, five cents on calves, two cents on lambs and two cents on hogs. But the total cost of marketing a carload of stock would not be reduced one cent to the producers, and it would drive a great deal of the truck business right across the street to the packing house.

Hon. Mr. RILEY: Whose yards are not under Government control.

Mr. McCALLUM: If we said to some trucker, "You have to pay thirty-five cents yardage instead of twenty-five cents on cattle, and seven cents instead of five cents on lambs," he would likely say, "I won't pay it." His animals consume no feed, truck stock pays no part of the stockyard's upkeep except through yardage, and in Toronto where the truck business has developed to such a tremendous extent we had last year the equivalent of 5,200 cars of livestock delivered by truck and about 10,800 by rail. About 33 per cent of the total receipts of stock were by truck, none of which made any contribution to the stockyard revenue through feed consumed. The only revenue derived from the truck stock was through yardage and, as I said before, the total yardage revenue at Toronto, as well as at the other yards, just about balances the cost of operating, salaries and labour. The question is an extremely hard one to deal with. If you did something that would drive a half or three-quarters of that trucked stock away from the stockyards, on account of increased charges, across to the packing houses, you are making a bad condition worse on the stockyards. What are we to do? We are studying that question.

The CHAIRMAN: I gather from your statement, Mr. McCallum, that the main source of revenue for keeping up the stockyards is from the feed they supply. But you told us that the truckmen did very little feeding. It seems to me that the present method discriminates against the man who ships by rail. You appear to fear that if the yardage charge is raised it would drive the trucker over to the abattoir; but I think it would be somewhat difficult for the trucker to arrange to deliver his cattle direct to the abattoir, and I doubt whether raising the yardage charge would have that effect.

Hon. Mr. SINCLAIR: Truckers have to pay slightly higher charges now?

Mr. McCALLUM: No, their yardage is exactly the same, sir, except at Saskatoon and Edmonton, where there is an extra charge of four cents per head on hogs and sheep and five cents per head on cattle as a service charge.

Hon. Mr. BURNS: I think I could explain the position in regard to trucks.

The CHAIRMAN: We shall be very pleased to hear from you, senator.

Hon. Mr. BURNS: Mr. McCallum speaks of the trucks coming in with livestock. I may say that you can load your pigs or cattle at points from 150 to 200 miles distant and ship them to Winnipeg, Calgary, Moose Jaw or any of the other places where they have stockyards. The truckers run all night, and they deliver their stuff in the morning right off the truck without any shrinkage. On the train the livestock are jerked about and the trip takes from twenty-four to thirty hours, against the three or four hours on the truck. This trucking has developed into a wonderful business. None of the cattle are on the truck for more than four hours, and they do not require any feed.

Hon. Mr. FORKE: I can endorse Senator Burns' statement. We are 185 miles west of Winnipeg. The cattle trucks start at ten o'clock at night and deliver the cattle into the stockyards in the morning.

Hon. Mr. RILEY: Is the same price paid for stock off the truck as off the railway car?

Hon. Mr. BURNS: No, not quite so much is paid off the truck, because the hogs are fuller. I suppose you do not go into that, Mr. McCallum?

Mr. McCALLUM: Yes, we do, sir.

The CHAIRMAN: I suppose the price would be based on the results of their experience in the killing of truck and rail hogs.

Hon. Mr. BURNS: Yes. The packing houses keep percentage records of how the hogs kill out. They do not pay quite as much for the truck hogs as for the rail hogs.

Mr. McCALLUM: At Toronto truck hogs realize twenty-five cents per hundred pounds under the weighed-off car price. At Saskatoon and Prince Albert most of last summer the buyers were not paying by twenty cents per hundred pounds as much for hogs off trucks the they were for hogs fed and watered at the stockyards. That is a matter of course over which the Government has absolutely no control; it is absolutely between the buyer and the seller.

Hon. Mr. BURNS: I think the packing houses arrange that themselves.

Mr. McCALLUM: Yes, sir.

Hon. Mr. BUCHANAN: How are the stockyards in Canada owned, by the railroads?

Mr. McCALLUM: The Calgary stockyards are owned by a subsidiary of the C.P.R.; the Edmonton and Saskatoon stockyards are owned by limited companies, not the railways; the Moose Jaw and Prince Albert yards are owned by joint stock companies; the Winnipeg stockyards, known as the Public Markets, Limited, are owned con-jointly by the C.P.R. and the C.N.R. railways; the Toronto stockyards are owned by a limited company, known as the Union stockyards, Toronto, Limited; of the two stockyards at Montreal, one is owned by the C.P.R., and the other by the C.N.R. That covers the ownership of the various stockyards of this country.

There is another considerable item of expense in marketing stock—the commission service. Each exchange has its own rules and regulations and its schedule of prices approved by the minister. The exchanges are composed of the commission men who have certain charges for their services and buyers, dealers and speculators. Briefly, the current charges for selling livestock by the deck are: Cattle, \$17; calves, \$12 to \$13; hogs and lambs, \$10.

These charges also compare very favourably with corresponding charges at the American yards. We have, however, seen fit during this present year to ask for a reduction in marketing charges. We have asked for a reduction of at least ten per cent, both in the feed prices and in the commission charges. A number of the stockyards have reduced their feed charges. There has been very little reduction in the commission charges. In fact we secured a readjustment last fall from most of the yards in their commission charges, but they did not reach a flat reduction of ten per cent. We hope that this reduction will be accomplished. Judging by the agitation in some quarters in the country, it would appear that the reduction of ten per cent will not satisfy the producer. I would say this, however, that the average cost of marketing a carload of cattle at the Toronto stockyards—and this will apply also at Montreal—from a radius of ninety to one hundred and twenty miles is approximately seventeen and three-quarter cents per hundred pounds; that is the average cost, including stockyard charges and commission charges, but exclusive of transportation and condemnation insurance, is seventeen and three-quarter cents per hundred pounds; while the railway freight on the cattle coming from that distance is seventeen and a half cents per hundred pounds. That is, the transportation cost is the biggest individual item of expense in the marketing of a car of livestock. And yet, even in the face of the fact that the truckers' charges in many cases are double those of the railway freights, an increasing number of farmers are using trucks, instead of the railways, for marketing their livestock. Furthermore, when a number of farmers combine to make up a carload of cattle they get the cattle sold at \$17 per car and it does not matter whether there are 20 or 30 head

in the car. I had better make one correction. In the readjustment of charges made last year, the exchanges reduced the commission charges on cattle to \$15 per car up to 19 head, with a charge of 80 cents per head for every additional animal until the old maximum of \$17 was reached. But that would apply on very few carloads of stock, in fact on no carloads of cattle except heavy cattle possibly going to the seaboard.

Where a number of farmers group themselves together to send their stock to the market by rail, they have a carload of cattle, from 20 to 30 head, depending on the size, that can be sold for \$17, and yet when they bring them in by one's and two's by truck they pay a selling commission of 80 cents to \$1 per head. Although a great many farmers may be driven by circumstances to use the truck instead of the railway, it seems to me that they are using the most expensive method of marketing their livestock. Of course, they are free agents.

The CHAIRMAN: Would the average number of cattle in a car be around 24 or 25?

Mr. McCALLUM: I would say that 24 would be a close estimate of the average.

Hon. Mr. RILEY: The district of High River, where I live, is 40 miles from Calgary. If a farmer made up a car-load of hogs, it would be necessary to have them hauled by trucks from the farm to the stockyards in High River, where they would be unloaded. It might be possible to get a car within a few hours, or possibly a car would not be available before twelve hours. I have seen cases where hogs have had to be fed and watered in the yards before a car arrived. Finally the hogs are loaded into the car and are shipped to Calgary, forty miles away. It would be six or seven hours before they were unloaded and weighed. But by using trucks a farmer can move his hogs to Calgary and have them unloaded and weighed all within an hour and a half. Allow another hour and a half for him to come home, and that is three hours altogether as compared with probably at least twenty-four hours if the shipment is made by railroad. It is a question to me whether the extra cost of trucking is not more than offset by the shrinkage and trouble when shipping hogs by rail. I do not think hogs will ever be shipped short distances like that by railroad.

Mr. McCALLUM: I might say that I was speaking more particularly with reference to cattle. The figure of \$17 for commission applies to cattle rather than to hogs. I know that practically all the hogs that are delivered to small packing plants in Ontario, at Kitchener, Stratford, London, Hamilton, Chatham and Peterboro, come by truck. The truck is here to stay, but it leads to a real problem in the stockyard marketing business.

Hon. Mr. SINCLAIR: May I ask the question now that I put to Mr. Light? I asked him if he found that there was fair competition among the buyers on the stockyards. Do you think there is?

Mr. McCALLUM: On some stockyards, yes. Take Montreal, for example, where most of your Maritime surplus stock is marketed, the packer buyers have the keenest of competition from a myriad of small butcher buyers who are on the market every day and buy their stock and have it slaughtered at a big abattoir.

Hon. Mr. SINCLAIR: I take it that the competition in Montreal comes from the small butcher rather than from the larger buyers?

Mr. McCALLUM: Yes.

Hon. Mr. SINCLAIR: You say you think there is fair competition in some stockyards. Am I to understand that there is a control of the buying in some markets on certain weeks and in other markets on other weeks, that one centre is played against the other?

Mr. McCALLUM: No, I could not say that at all. But it is common knowledge that when the number of active competitive buyers is reduced from six or seven to two, that the buying competition is reduced to that extent. I think I am safe in saying that previous to the time when a number of packers joined together in one big organization there was more active competition than there is to-day at some of our markets.

Hon. Mr. SINCLAIR: Then you feel that there is more competition where there is a local butcher trade than where that trade is rather small or does not exist at all?

Mr. McCALLUM: Undoubtedly.

Hon. Mr. SHARPE: How about the Winnipeg market, for instance?

Mr. McCALLUM: Well, at Winnipeg there are a number of small independent butchers who do not slaughter very many animals per week, but they are on the market from week to week buying a certain number of animals, and making that much more competition than otherwise would obtain. Of course at Western markets it must be remembered that Eastern orders are placed in the hands of commission merchants or speculators or even packers' buyers, and each of these orders furnishes competition to the local packers' buyers. I made the statement that there might be more competition at times on some of our markets. Yet, I would not make any complaint on that score.

Hon. Mr. McGUIRE: Is there much competition from the small buyer on the Toronto market, for instance?

Mr. McCALLUM: Considerable, but not as much as at Montreal. A number of city butchers prefer to buy their live stock as live stock and have it slaughtered at the city abattoir. Another independent abattoir has been built up near the stockyards in the last year and a half. It is operated by an experienced abattoir operator, and this furnishes more competition than formerly obtained.

Hon. Mr. BUCHANAN: Is there competition between export and domestic buyers that help the price?

Mr. McCALLUM: Always.

Hon. Mr. BUCHANAN: Where does it start, Montreal?

Mr. McCALLUM: No. The fact that there has been a great growth in the demand by our consumers for branded beef, red label brand, and blue label brand beef, which two brands come from high class animals, keeps the local packer, the big packer, in the market at all times for animals of the highest quality to cater to that demand. The local packer, to supply his own demands for branded beef, is a very keen competitor of the export buyer.

Hon. Mr. RILEY: Is the supply equal to the demand?

Mr. McCALLUM: At times it is; at other times it is not.

Hon. Mr. LITTLE: Is that red brand beef a Western product, or is that available in all the markets?

Mr. McCALLUM: It is available in all the markets. I believe a larger proportion is eligible for branding in the West, but it is branded in all packing houses, or is eligible for branding.

Hon. Mr. SINCLAIR: But the grading conveniences are available all the time?

Mr. McCALLUM: Yes.

Hon. Mr. LITTLE: How many inspectors have you?

Mr. McCALLUM: This is a little out of my line. I think there are five.

The CHAIRMAN: There would be one at each market, would there not?

Mr. McCALLUM: No. There is one at Ottawa who looks after Hull and Montreal, one at Toronto, one at Winnipeg, one at Moose Jaw, and one at Calgary who also looks after the Vancouver business.

Hon. Mr. SINCLAIR: You heard the evidence given the Committee in regard to buyers for export. There has been only one English buyer mentioned here. Do you find that there is much competition in the buying of export cattle?

Mr. McCALLUM: No, there is not. Are you referring to some evidence that was given yesterday?

Hon. Mr. SINCLAIR: I may be more particular, and say that the name of one buyer from Birmingham was mentioned as buying in our Canadian yards. Is there more than one?

Mr. McCALLUM: There are more than one, but as was stated either by the Hon. Mr. Weir or by Mr. Rothwell, upwards of eighty-five per cent of the cattle going to the Old Country are bought here by agents of Old Country firms, and they have to compete with packers and butchers at every stock yard for animals which are suitable. But there is not very much competition as between Canadian agents of English firms.

Hon. Mr. BURNS: They have got the space. Bill Smith or Tom Jones or anyone else can get space and ship the cattle themselves.

Hon. Mr. SHARPE: Do you arrange ahead for space?

Hon. Mr. BURNS: Oh, yes. We go along and ship two or three or four thousand cattle every year.

The CHAIRMAN: You have your own selling agents on the other side?

Hon. Mr. BURNS: Yes.

The CHAIRMAN: As I understand it, your shipments would not be included in the eighty-five per cent that we were told are bought here by representatives of British firms?

Hon. Mr. BURNS: Last year we sold about one-third to men from the other side. The remainder we shipped ourselves. As far as shipping goes, we understand quite a bit about it, but after all, here is a gentleman who keeps track of everybody and knows what everybody is doing. All I know is what we do ourselves. I can learn from him.

The CHAIRMAN: Are there any more questions to be asked Mr. McCallum?

Hon. Mr. SHARPE: How did the exchange situation affect the shipping of our cattle this year?

Hon. Mr. BURNS: Oh, if we get this exchange stabilization we talk about, it will be fifty cents a hundred. You mean fixing the pound at \$4.60?

Hon. Mr. SHARPE: Putting our dollar on a par with sterling, how much more would you pay for a one thousand pound steer?

Hon. Mr. BURNS: About two or two and a half.

Mr. McCALLUM: I think it would be more than that. Last year when exchange was down to \$3.75 it made an even greater difference than now.

Mr. LIGHT: About \$12 a head, or more.

Hon. Mr. BURNS: I was speaking of it at \$4.60. On all I shipped I never got less than about \$4.10.

Mr. LIGHT: The difference between the rate of exchange at present and the pound at \$4.60 would make an average difference in the value per head of cattle in the Old Country of somewhere between \$6 and \$10, according to the weight and value of the animal.

Hon. Mr. SHARPE: Last fall they were losing from \$12 to \$14 a head.

Mr. LIGHT: The sharp break in the exchange was a major cause for the falling off in cattle exports last year.

Hon. Mr. BUCHANAN: How far ahead do you have to arrange for space to ship cattle to the Old Country?

Hon. Mr. BURNS: I was called up this morning and offered space.

Hon. Mr. BUCHANAN: For immediate shipment?

Hon. Mr. BURNS: The 1st of June.

Hon. Mr. BUCHANAN: Do you mean to say that there is space available now for shipping cattle to the Old Country market?

Hon. Mr. BURNS: The 1st of June. You get space. When the time for shipment arrives, it may be that the owner of the space has not cattle to fill it, and then someone else may take it up. I have been offered space this morning.

Hon. Mr. BUCHANAN: For immediate shipment?

Hon. Mr. BURNS: For the first of June.

Hon. Mr. BUCHANAN: You cannot say there is space available now for shipment of cattle to the Old Country market? There have been statements made that space was all taken up.

Hon. Mr. BURNS: Before the first of June the space will be taken up, and the people who have not got their cattle ready will have to let somebody else fill the space. I suppose that is why they called me up. I was offered a lot of space every week, so I took eight or ten weeks' sailing. There was a lot of space I would not take. Now I am sorry that I did not take it. I was afraid at the time of the exchange, but now with exchange as it is the situation is different—it is a horse of another colour. There will be space available to handle all our cattle for the end of July.

Hon. Mr. RILEY: Do you think that we will not have 45,000 head of cattle to export?

Hon. Mr. BURNS: No, I do not think we will. Mr. McCallum knows more about that than I do.

Mr. LIGHT: I think there is some misunderstanding as to 45,000 head of cattle being available for export. What the minister intended to say in effect was that on the basis of the amount of space in the boats that are now sailing and will sail from the port of Montreal, there is sufficient accommodation, if it is all filled, to carry 45,000 head of cattle to the United Kingdom market from January first to the close of navigation. We have already shipped around 10,000. Last year up to this time we had shipped only about 700. That is an indication of the difference in the nature of the market, or the opportunity.

Hon. Mr. BUCHANAN: Mr. Light, I asked some of the stockmen in my section of Alberta, the southern part of the province, to submit to me some of their problems, and they made this statement: It is claimed that the speculators sized up the situation and grabbed up probably 100 per cent of the available boat space for cattle to the Old Country. That is to say, the Southern Alberta Co-operative Association have been shipping independently, and they would have practically no opportunity of getting space.

Mr. LIGHT: I have no information to that effect.

Hon. Mr. BUCHANAN: Your information would be to the contrary?

Mr. LIGHT: So far as I know.

Hon. Mr. BURNS: It would seem to me that people who would attempt to grab space in that way would be very stupid. If they do not have the cattle available for shipment they will be responsible for the space. For my own part, I would not get a lot of space ahead unless I know I had the cattle to fill it. I have had to pay for space before that I could not use. The burnt child is afraid of the fire.

Hon. Mr. BUCHANAN: The point I wanted cleared up is this: If Senator Riley and a number of other ranchers in Alberta wanted to ship stock to the Old Country, could they get space in June?

Hon. Mr. BURNS: I think so.

Hon. Mr. BUCHANAN: There is a different impression abroad.

Hon. Mr. SHARPE: He has been offered space this morning.

Hon. Mr. BUCHANAN: Yes, but there is a different impression abroad.

Hon. Mr. BURNS: I have an agent in Montreal who is watching the thing. He keeps me posted.

Hon. Mr. BUCHANAN: You may be in a better position to be informed.

Hon. Mr. BURNS: You can go to Montreal or to any of these other places and make arrangements for space; but the shipping people will not fit up their ships unless there is an assurance that the cattle will be shipped. I could arrange space for all the cattle that will be shipped.

The CHAIRMAN: You have to guarantee to take that space.

Hon. Mr. BURNS: Yes, you will have to guarantee it, because the ship owners cannot be expected to fix up their boats and not get the cattle.

The CHAIRMAN: You stated a while ago, senator, that you were offered space this morning. Were you offered space—this may be a personal question, and if you do not care to you need not answer it—were you offered space by one of the shipping companies or by one of those who had taken space and could not fill it?

Hon. Mr. BURNS: It was one of my agents.

The CHAIRMAN: It might have been some party who had already taken space and found himself short of cattle?

Hon. Mr. BURNS: That might be.

Hon. Mr. BUCHANAN: Are speculators trying to control this space?

Hon. Mr. BURNS: I do not think so. They would be afraid of not getting the cattle.

Hon. Mr. RILEY: You cannot speculate in this space; you have to pay for it and sell it at the same price.

Hon. Mr. BURNS: Yes. The ships are there, and all you have to do is to put in the fixtures.

The CHAIRMAN: If there are no further questions to ask Mr. McCallum we will thank him for his evidence. Thank you, Mr. McCallum.

Hon. Mr. SINCLAIR: A statement was put in at our first meeting by Mr. Rothwell giving us the approximate expenses of getting cattle to the Old Country market. It will be found at page 19 of the first printed number of our proceedings. From Calgary it is stated to be \$37.66; from Saskatoon \$37, and so on. Could you, Mr. Light, analyse those expenses and say how much is represented by rail transportation, how much by port charges, how much by ocean freight, and how much by port charges at destination?

Mr. LIGHT: Yes, we could give you that in fair detail. I will turn in a statement to the secretary of the Committee. It will be approximate, figured on a certain weight.

ESTIMATED AVERAGE COST OF SHIPPING CATTLE TO GREAT BRITAIN, VIA MONTREAL

BASED ON AVERAGE WEIGHT OF 1,100 POUNDS PER HEAD

	Calgary, Edmonton	Saskatoon	Moose Jaw	Winnipeg	Toronto	Montreal
	\$	\$	\$	\$	\$	\$
Freight rate per 100 lbs.....	1 14½	1 12½	1 10½	0 85	0 29
Rail freight per head.....	12 50	12 38	12 16	9 35	3 19	(1) 0 40
Feed and other costs, on route to Montreal (2).....*	1 30	0 95	0 95	0 60	0 15
Stock yard costs at Montreal (2 days).....	0 70	0 70	0 70	0 70	0 70	0 70
Loading, handling, wharfage, feed on boat (3), ropes, pails, wages, insurance, etc., per head.....	4 50	4 50	4 50	4 50	4 50	4 50
Ocean freight (4).....	12 00	12 00	12 00	12 00	12 00	12 00
Expenses and selling in Great Britain, per head (5).....	£1= 4 60	£1= 4 60	£1= 4 60	£1= 4 60	£1= 4 60	£1= 4 60
Total expense, per head.....	\$35 70	\$35 13	\$34 91	\$31 75	\$25 14	\$22 30
Total expense, per lb. (6).....	3·25c	3·2c	3·17c	2·9c	2·3c	2c
From Maritime ports†—						
Total expense, per head.....	\$37 66	\$37 09	\$36 87	\$33 71	\$27 54	\$27 29
Total expense, per lb.....	3·42c	3·37c	3·35c	3·07c	2·5c	2·48c

*See page 3 of this memo for details.

†See page 2 of this memo for details.

(1) Switching charge, 40c per head from stock yards to boat side on consignments originating in Montreal.

(2) Shipments from west of Winnipeg require two or three feeds. Winnipeg consignments require usually only one.

(3) Ocean feed includes some grain.

(4) Ocean freight on cattle weighing under 1,000 lbs., \$10.80.

(5) Converted at par rate of exchange. Depreciation of the Pound Sterling reduces this cost to the shipper correspondingly.

(6) Nearly all charges are on a per head basis, therefore the cost per pound will vary according to the weight of the animal.

Shrinkage.

ADDITIONAL COSTS OF SHIPPING CATTLE FROM MARITIME PORTS OVER MONTREAL SHIPMENTS

	Calgary Edmon- ton	Saska- toon	Moose Jaw	Winni- peg	Toronto	Montreal
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Costs to Montreal.....	35 70	35 13	34 91	31 75	25 14	22 20
Less stock yard costs at Montreal.....	0 70	0 70	0 70	0 70	0 70	0 70
	35 00	34 43	34 21	31 05	24 44	21 50
Additional freight per cwt.....	6½c	6½c	6½c	6½c	10½c	39c
Additional freight per head.....	0 71	0 71	0 71	0 71	1 15	4 29
Less switching charge at Montreal.....						0 40
	35 71	35 14	34 92	31 76	25 59	25 39
Unloading, feed, reloading, etc., at Montreal*.....	0 60	0 60	0 60	0 60	0 60	0 55
Stock yards costs, one day at Saint John or Halifax.....	0 35	0 35	0 35	0 35	0 35	0 35
Additional costs, due to higher costs of feed in Maritimes, meals for men en route and foreman's railroad fare, etc.*.....	1·00	1·00	1·00	1·00	1·00	1·00
Total expense, per head.....	37 66	37 09	36 87	33 71	27 54	27 29
Total expense, per pound.....	3·42c	3·37c	3·35c	3·07c	2·5c	2·48c

*See page 3 of this memo for details.

FEED AND OTHER COSTS EN ROUTE TO MONTREAL

	From Calgary	From Moose Jaw	From Winnipeg	From Toronto	From Montreal
	\$	\$	\$	\$	\$
Calgary—					
Loading out, per car.....	1 00				
2 bales hay in car.....	2 50				
2 bales straw in car.....	1 50				
Moose Jaw—					
Unloading.....	1 00				
2 bales hay in yards.....	2 50				
2 bales hay in car.....	2 50				
2 bales straw in car.....	1 50				
Loading out.....	1 00				
Winnipeg—					
Unloading.....	1 00				
2 bales hay in yards.....	2 50				
2 bales hay in car.....	2 50				
2 bales straw in car.....	1 50				
Loading out.....	1 00				
White River—					
Unloading.....	1 00				
2 bales hay in yards.....	2 50				
2 bales hay in car.....	2 50				
2 bales straw in car.....	1 50				
Loading out.....	1 00				
Total cost per car.....	30 50	22 00	13 50		
Cost per head (23 cattle per car).....	1 32	0 95	0 60		
On through billing—Montreal to St. John or Halifax—					
Unloading Montreal, per car.....	1 00				
2 feeds in yards, 4 bales, and 2 bales in car, total 6 bales.....	9 40				
2 bales straw in car.....	2 50				
Loading out.....	1 00				
	13 90				
Per head.....	0 60	0 60	0 60	0 60	0 55

Hon. Mr. SINCLAIR: Could you confine your answer to the same weight?

Mr. LIGHT: Yes. Freight cost is by the pound. The selling charge in the Old Country is by the head, and the ocean freight is by the head. There is a line of demarkation there. On animals under 1,000 pounds there is an allowance of ten per cent below the full price. So the total weight of the animal carried has a distinct bearing on the actual cost per pound of the animal sold. The heavier the animal, all else being equal, the less the cost, the smaller the percentage of overhead.

Hon. Mr. SINCLAIR: The lesser the percentage cost?

Mr. LIGHT: Exactly.

Hon. Mr. BURNS: With small cattle you would get five for four.

Mr. LIGHT: Yes.

Hon. Mr. BURNS: I do not want to be understood as saying that we can get ships when we want them, because perhaps that would not be altogether so.

Hon. Mr. SHARPE: You made that clear, Senator Burns.

Hon. Mr. LITTLE: The Minister of Agriculture told us about the ships when he was before us on the 6th of the month. At page 10 of our proceedings he is quoted as saying:

We have to know ahead. We have boats now that will carry to the end of the season 36,000 head, and 9,000 head have already been shipped.

Hon. Mr. BUCHANAN: Mr. Chairman, if the Senate has a long Easter adjournment I may not be here when the Committee resumes, and I should like to place on record the views of some of the stock men of southern Alberta, so that these views could be commented on by some officials of the Department. The matter that I want to refer to is boat spaces, and the memorandum that has been given to me says:

Accommodation for live cattle on the boats is sold as "divisions"—a "space" is one animal. This is an old rule standing for more than 50 years. In the old days when we exported thousands of range animals four and five years old, these divisions were such as to hold four 1,800-pound animals. This division arrangement was reaffirmed in 1923. At that time there was no thought of exporting fed calves as we are doing in this district. However it was agreed that smaller cattle were wanted, and it was agreed to allow five head in the division. The division for four big cattle is sold at the rate of \$12 each, or \$48 for the division. Five smaller cattle can be put in this division at \$10.80 a head, or \$54. It is now felt that the space regulation should be changed so that six head could be put in a division. Six head of 850 calves would weigh 5,100 pounds as against a maximum of 7,200 pounds allowed for four big cattle to the division. If the price were cut accordingly, and six small cattle were allowed for the rate of \$48, it would mean \$8 a head, or a saving of \$4 a head on the rate for big cattle of \$2.80 on what is now being paid for medium. Even then the small cattle would be paying more per pound for ocean freight. Local producers strongly urge that there should be a further enquiry into the whole question of shipping space so that six head could go in one division—850 to 900 pound stuff probably.

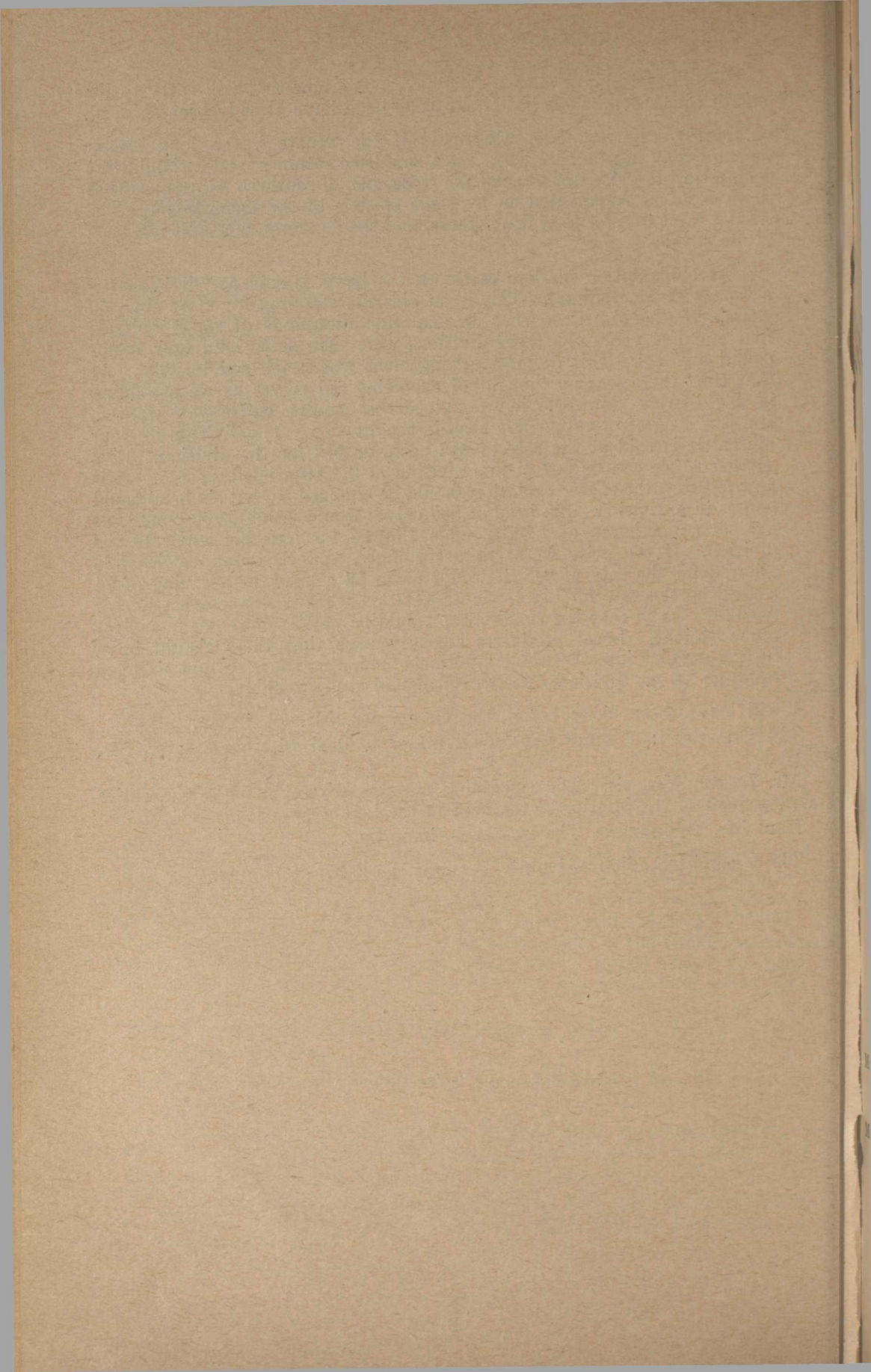
I will leave these views before the Committee, Mr. Chairman.

The CHAIRMAN: Perhaps you would prefer to deal with them later, Mr. Light?

Mr. LIGHT: Yes, sir. The suggestion entertained would mean the entire re-arrangement of the interior of the boat in the layout of space.

Hon. Mr. BUCHANAN: The matter is important.

The Committee adjourned until Tuesday, April 25, at 11 a.m.



THE SENATE OF CANADA



PROCEEDINGS

OF THE

STANDING COMMITTEE

ON

AGRICULTURE AND FORESTRY

Re,—Conditions of Export Trade in Cattle and the
Cattle Industry Generally

No. 3

The Honourable J. J. Donnelly, Chairman.

WITNESSES:

Mr. H. P. Kennedy, Toronto, Ontario, President, Edmonton Stock Yards,
Limited.

Mr. A. W. Burrell, Edmonton, Alberta, Manager of Edmonton Stock Yards.

STANDING COMMITTEE ON AGRICULTURE AND FORESTRY

The Honourable J. J. DONNELLY, *Chairman.*

The Honourable Senators:

Bénard,
Black,
Buchanan,
Burns,
Donnelly,

Forke,
Gillis,
Little,
McGuire,
Pope,

Raymond,
Riley,
Sharpe,
Sinclair,
Smith.

ORDER OF REFERENCE

*Extract from the Minutes of the Proceedings of the Senate of Canada, Tuesday,
April 4, 1933*

Resolved,—That the Standing Committee on Agriculture and Forestry be authorized to consider and inquire into the conditions of export trade in cattle and the cattle industry generally.

MINUTES OF EVIDENCE

THE SENATE,

TUESDAY, April 25, 1933.

The Standing Committee on Agriculture and Forestry resumed this day at 11 a.m., in Room 368.

Hon. Mr. Donnelly in the Chair.

The CHAIRMAN: Gentlemen, we have with us this morning Mr. H. P. Kennedy, who has been very largely interested in the livestock business for the last forty years, and his Western manager, Mr. A. W. Burrell. Mr. Sproule, M.P., is also present, and is prepared to give evidence if there is time after we have heard Mr. Kennedy and Mr. Burrell.

I will call on Mr. Kennedy first.

H. P. KENNEDY (President of the Edmonton Stock Yards, Ltd.,—Toronto): Honourable Senator Donnelly and honourable Senators, I am only too pleased to give any information that would be of interest to the Committee.

The CHAIRMAN: Mr. Kennedy, you have had a very long experience in the exporting of livestock. I think it would be well for you to make a general statement, after which members of the Committee may wish to ask you a few questions.

Mr. KENNEDY: Very well, Mr. Chairman.

I might say that I have been in the livestock business practically all my life—to be exact, forty-five years. I have had experience in all branches of the livestock industry. Your Chairman has stated that I have had a wide experience in the exporting of livestock. My experience in the export business would date from the year 1919 to the year 1926. We operated fairly heavily over that period: I have not got the numbers of cattle, but our yearly turnover in exports would run from one million to three and a quarter million dollars. We exported from practically every port on the Atlantic coast to all the prominent markets in Great Britain, and markets in France and Belgium.

Our experience in export was a varied one. So far as the exporting to Great Britain was concerned, the stock was all sold there on consignment; there were very few orders placed by English firms when we were doing business. We shipped our cattle to the open market and they were sold mostly in the Scotch markets by public auction. In the English market they were sold at private sale at the different lairages.

The experience of the livestock exporter from the standpoint of profit was naturally varied. In the year 1919 we were facing conditions similar to those that the exporters to-day are facing. There was a rapid fluctuation in the exchange in the pound sterling, and in American exchange, and when you were buying your cattle on a Canadian market and selling them on a market in Great Britain three weeks ahead there was quite a risk involved. That is, to a certain extent you were speculating on the exchange. There was nothing really permanent, we could not figure on any permanent margin for operating.

Hon. Mr. GILLIS: Was that on account of the exchange?

Mr. KENNEDY: That was on account of the exchange, principally and market fluctuations Senator Gillis. The premium on American funds in 1919 averaged from 16 to 19 per cent, and we never knew just what the exchange would be ten days ahead. In the year 1926, which was the last year that we were exporting heavily, the economic conditions were such in Great Britain that the losses were very heavy and most exporters stopped exporting; and from 1926 on for two or three years there was very little exporting from Canada, as the records will show. At the present time our firm are not in the export market, the main reason being that we have not seen a time in the last two or three years when an operator could take space ahead for a period of two or three months with any degree of certainty as to what he would have to pay for his cattle or what he would get for his cattle. I think that the majority of exports that are moving at present are orders coming from firms in Great Britain, or the owners of cattle in Canada are exporting themselves and getting the advantage of the European market as compared with the local market in Canada.

In the year 1925 we found it difficult to get available shipping space and we chartered certain steamers from an independent shipping company, which fitted the steamers for livestock only. There was nothing on those steamers but livestock, and they returned light, without any cargo. Even under those conditions the expense, as far as we were concerned as exporters, was lower than what we were labouring under with the regular liners. We always got every support and every co-operation from the steamship companies in Canada, but frequently they did not have the available space.

Hon. Mr. RILEY: That was in 1925 you chartered those?

Mr. KENNEDY: In 1925 and early 1926. We found in exporting on a steamer specially fitted for livestock that we could not only export live cattle but also live hogs. And I might say that as far as the experience in the export of live hogs was concerned, the mortality in the shipment of live hogs and the shrinkage was less than it was with live cattle. The demand at that time for live hogs was sufficient to warrant us continuing shipments, but we could not ship live hogs on the Canadian steamship lines at the rate that we could on specially fitted steamers, for the simple reason that shippers of other goods objected to live hogs being on the same steamer.

In the spring of 1926 the economic situation became such that it was impossible for any exporter to carry on a profitable business, and from that date to the present time we have not been operating as exporters. I think that will cover the export situation, as far as we are concerned, Mr. Chairman.

Hon. Mr. BURNS: You are not exporting now, Mr. Kennedy?

Mr. KENNEDY: No, we have not been exporting. We are buying on order for exporters at the present time, but we are not shipping anything and selling it on consignment. As a commission firm we are buying on commission for exporters.

Hon. Mr. RILEY: The hogs are shipped alive, are they?

Mr. KENNEDY: There is no shipment of live hogs at the present time, nothing but cattle.

Hon. Mr. BURNS: Do you find there are many cattle being shipped now?

Mr. KENNEDY: I would say that there are from 500 to 800 per week, Senator Burns.

Hon. Mr. GILLIS: That has been going on during the last six months or so?

Mr. KENNEDY: It has been increasing a little the last few weeks, I believe. Of course, this is the season of the year when exports of live cattle would naturally increase; it is the time that cattle are finished ready for export.

Hon. Mr. BLACK: Mr. Kennedy, do those exports that you have been in touch with come principally from the Western Provinces, or are part of them—and if so, what part—from Ontario?

Mr. KENNEDY: Well, Senator, I would say that practically 50 per cent are from Western Canada and 50 per cent from Ontario.

Hon. Mr. BURNS: Do you think that most of the cattle have been shipped from Ontario now?

Mr. KENNEDY: Any statistics that I have been able to gather would indicate that Ontario has not got very much of a surplus of cattle for export.

Hon. Mr. GILLIS: Would the same apply to the Western Provinces?

Mr. KENNEDY: I think the Western Provinces would have a heavier surplus than Ontario. We have the Government statistics and the information from the commission firms at the stock yards, and that is the way we size up the situation. We do not believe there is a very heavy surplus.

Hon. Mr. GILLIS: You control both the Edmonton and the Saskatoon stock yards?

Mr. KENNEDY: That would be a wrong term. I am president and managing director of the two companies, and a heavy shareholder.

Hon. Mr. GILLIS: Your company to a large extent controls?

Mr. KENNEDY: They are independent companies, both Edmonton and Saskatoon, with a great many shareholders.

Hon. Mr. GILLIS: The railway companies have nothing to do with them?

Mr. KENNEDY: Nothing whatever. We are absolutely independent of the railway companies or any other organization; just an independent company organized for carrying on the stock yard business. Mr. Burrell, who is manager of the Edmonton yards and treasurer of the Saskatoon yards, is here and is prepared to answer any questions in connection with the operating of a stock yard.

Hon. Mr. GILLIS: The main object of this inquiry is to find whether there is anything wrong with the operation of the stock yards. We hear complaints from stock men from time to time that they are not being fairly treated. That is one of the main objects of this inquiry.

Mr. KENNEDY: I would say in reply to that question, the definition of a stock yard is a hotel for live stock. The men who invest their money in the company naturally invest it in that industry believing they can operate it on a sound business basis; and in order to serve the producer, whom we all serve, and who come first, we believe it is necessary to have a competitive stock yard, to have the large packer buyers, and to have the commission firms. Those three organizations must co-operate together in the best interests of all.

Hon. Mr. GILLIS: Do you include the abattoirs?

Mr. KENNEDY: The abattoirs and packing plants. We have to co-operate with the large buyers and the owners of abattoirs.

Hon. Mr. RILEY: Mr. Kennedy, you state that your costs were cheaper in 1925 and 26, when you chartered boats, than they would be to-day, or in the ordinary way. Were the owners of those steamboats satisfied with the arrangement as far as the price they received for the services of the boats was concerned?

Mr. KENNEDY: They were perfectly satisfied provided we could go on with full cargoes.

Hon. Mr. RILEY: Would these contracts extend over a year, or for the season?

Mr. KENNEDY: The contract we had was for a term of months, and had the export situation remained as it was in the fall of 1925, they would have established an office in Canada and maintained an office to carry on permanently; but there was no permanency to the export trade.

Hon. Mr. RILEY: Is the export trade to-day on as good a footing as it was at that time?

Mr. KENNEDY: My reply to that would be that we are in such a chaotic condition at the present time that we scarcely know what is going to happen a week ahead. We have not got a heavy surplus of cattle in Canada. We have been shut out of the American market since 1928 by the extremely high tariff. If we had free entry into the United States for our Canadian cattle, our natural market would be to the south.

Hon. Mr. RILEY: Is there any reason why such an arrangement could not be made with steamboat companies to-day in regard to space, by the cattlemen, or the Government, or someone who would charter those boats for a term of months, if it had the effect of reducing costs to the shipper?

Mr. KENNEDY: Facing present conditions, I do not believe any company would enter into a contract similar to what we had in 1925, on account of the uncertain conditions ahead. The only body that could do that would be the Dominion Government, if they wished to install a system to help the producer. Whether it would be profitable or not would be another question.

Hon. Mr. FORKE: I saw a boat loading at Quebec—I think it was the City of Manchester. Was that your cattle?

Mr. KENNEDY: Yes.

Hon. Mr. BURNS: What did it cost to ship in 1925?

Mr. KENNEDY: We were paying at that time \$20 a head to the straight line steamers, and it cost practically \$15 per head on the other steamers. At the present time the steamers are giving a much lower rate than even we were getting at that time.

Hon. Mr. BURNS: It is down to \$12 now.

Mr. KENNEDY: Yes.

Hon. Mr. BURNS: And if the rates come down two or three dollars more, so much the better.

Mr. KENNEDY: Yes.

Hon. Mr. BURNS: In the old days it used to be about \$7 or \$8. Everything was cheaper then.

The CHAIRMAN: You expressed the opinion that there was no surplus of export cattle in Ontario. You refer particularly to stall fed cattle. You are aware, of course, that a lot of farmers put cattle to grass in the hope that they will be exported during June and July.

Mr. KENNEDY: You must have misunderstood me, Mr. Chairman. I said there was no heavy surplus of cattle in Canada.

Hon. Mr. GILLIS: You said, as we all know, that the American market was our natural market. If we had an open market there to-day would there be any great advantage over existing prices in Canada?

Mr. KENNEDY: Not until the economic situation straightens away in the United States. Their prices are very little higher than ours at the present time.

Hon. Mr. RILEY: We could ship a poorer class of cattle to the United States than we ship to England?

Mr. KENNEDY: Yes.

Hon. Mr. RILEY: Stockers, feeders and bulls?

Mr. KENNEDY: Yes.

Hon. Mr. BURNS: If the shipping service were steady we could work up quite a trade between Canada and Britain, but it is very much in and out.

Mr. KENNEDY: Yes.

Hon. Mr. BURNS: When they have no cattle the ships have to stop.

Mr. KENNEDY: That is the difficulty with the steamship companies. They have their side of it. I think they have done everything possible to meet the trade. We have no criticism to make of the steamship companies; they have to protect their own business. But with the uncertainty of the British market on account of the changing conditions of the tariff of the United States, there is no independent company that would fit a line of steamers to cater to the British trade.

Hon. Mr. GILLIS: Were those steamers that you used in 1925 known as tramp steamers?

Mr. KENNEDY: Tramp steamers, fitted.

Hon. Mr. BURNS: You could get tramp steamers fitted up for cattle?

Mr. KENNEDY: Yes. We made just as good time with those steamers as with the other steamers—from ten to twelve days.

Hon. Mr. BUCHANAN: What was your experience with the auction system in Great Britain while you were shipping there?

Mr. KENNEDY: We liked the auction system so far as selling in the Old Country was concerned. We are not prepared to say that the auction system in Canada would be preferable to the present system. We are making a study of it at the present time. As I stated in my opening remarks, if there is anything we can do as a stockyard company or as a commission firm to co-operate in the interests of the producer with the packers, we are prepared to install any system. A stockyard company has nothing to sell but service.

Hon. Mr. RILEY: You mean an auction system in Canada?

Mr. KENNEDY: Yes, an auction system in Canada.

Hon. Mr. BUCHANAN: It has never been attempted in Canada at any time?

Mr. KENNEDY: Only in a casual way. There is no question that the auction system gives competitive bidding, and the producer gets the benefit of that bidding.

Hon. Mr. FORKE: In some parts of Scotland the live animal is weighed going into the ring. Is that the usual practice?

Mr. KENNEDY: Yes, at Glasgow, Forfar, Aberdeen—all those principal markets.

Hon. Mr. RILEY: We have seen it in Canada at stocker and feeder shows.

Mr. KENNEDY: Yes, we have an auction there.

Hon. Mr. RILEY: After the prize has been awarded the cattle were put up in carload lots and sold to the highest bidder.

Mr. KENNEDY: Yes.

Hon. Mr. RILEY: I have seen Mr. Burns buy a good many carloads in the stockyards in Calgary.

Hon. Mr. BURNS: Yes, that was for the fall cattle.

Mr. KENNEDY: I have attended auction sales in Edmonton when Senator Burns was there. He is a great philanthropist and likes to encourage the producer. He would pay a double price sometimes in the auction ring.

Hon. Mr. BURNS: Buyers used to come from the East to Calgary and Edmonton. They would buy up a lot of cattle.

Hon. Mr. RILEY: American buyers would come in too.

Mr. KENNEDY: Yes.

Hon. Mr. GILLIS: If the auction system was adopted in the stockyards of Canada, would it not be an advantage to the producer?

Mr. KENNEDY: We are making a study of it, and we believe there are advantages in the auction system. But in order to make any system successful you must have the co-operation of the producer, the Government and the buyer.

Hon. Mr. RILEY: The people who ship cattle into the yards.

Mr. KENNEDY: Yes. We are willing to make a further study and submit our findings to your Committee, senator.

Hon. Mr. BURNS: Sometimes the shippers ship in more cattle than they should, and the following week they may not have enough cattle to ship. That would have to be controlled in some way by the stockyards.

Mr. KENNEDY: Yes. We feel if we adopted the system at Edmonton and Saskatoon it would have to be the whole system; that is, there could not be two systems. We would say that starting on a certain date everything on this market is going to be sold in the auction ring. But that has to be given considerable study before we decide what we will do.

Hon. Mr. BUCHANAN: You say there are buyers from Great Britain to whom you are selling to-day?

Mr. KENNEDY: Yes. The buyers are sending their orders to Toronto and Western markets.

Hon. Mr. BUCHANAN: Some of them are in the country too?

Mr. KENNEDY: Yes, some are.

Hon. Mr. BUCHANAN: What type of cattle are they demanding, the highest class that we produce?

Mr. KENNEDY: We got an order the other day for 150 cattle in Toronto, and they wanted about one-third of them choice cattle from 1,100 to 1,200 pounds, one-third choice cattle from 1,200 to 1,300 pounds, and two or three loads from 1,400 to 1,500 pounds. The specification was for prime finished cattle.

Hon. Mr. GILLIS: Do you get orders for the lower grades, that is stockers?

Mr. KENNEDY: There are very few stockers offered. There is quite a demand, if we had them offered; that is, choice stockers of 800 to 1,000 pounds for the Scottish market.

Hon. Mr. GILLIS: You have shipped them?

Mr. KENNEDY: Yes, heavily in 1925 and 1926.

Hon. Mr. BURNS: You would not get much of the 1,200 to 1,400 pound cattle now; they have gone back into the light cattle to-day.

Mr. KENNEDY: Yes, a great many of them, although when I was exporting a few years ago I used to go to Senator Burns' feed lot and get the 1,400 to 1,500 pound choice cattle.

Hon. Mr. BURNS: Yes; things have very much changed since.

Mr. KENNEDY: Yes.

Hon. Mr. McLENNAN: Would there be any difference in price between those three grades of cattle?

Mr. KENNEDY: The price would vary from four and a half to five and a quarter cents on the Toronto market.

Hon. Mr. McLENNAN: Five and a quarter cents would be the heaviest?

Mr. KENNEDY: Yes, according to the grade and quality.

Hon. Mr. BLACK: Mr. Kennedy, a well finished animal of 1,100 pounds would bring the same price as a 1,400 pound animal?

Mr. KENNEDY: Frequently an animal of from 1,100 to 1,200 pounds, properly finished, brings more money than the 1,400 pound animal.

The CHAIRMAN: As a class would they?

Mr. KENNEDY: Yes. There is very little demand for the extremely heavy animal.

Hon. Mr. BURNS: They are all calling for the small cattle of from 1,100 to 1,200 pounds, so long as they are good and fat.

Hon. Mr. FORKE: The fashion now is never to use a knife at table, but to eat all your meat with a fork. Consequently the meat has to be very tender.

Hon. Mr. BURNS: To-day people are taking smaller steaks and roasts.

Mr. KENNEDY: For the domestic trade in Canada—Senator Burns knows this well—baby beef brings the highest price; and in the Old Country baby beef finished there brings the highest price.

Hon. Mr. RILEY: What is the proportionate cost of the heavier cattle to the baby beef?

Mr. KENNEDY: I understand a shipment left last year from the University of Saskatoon, and they were properly finished. I was talking to the professor when I was there in the fall, and he said the net proceeds was practically in keeping with the price bid on the Saskatoon market.

Hon. Mr. BURNS: The trouble there would be in getting a ship. They have no rates for shipping small cattle yet. The best rate is for the 1,000 pound cattle.

Mr. KENNEDY: Our Prime Minister at present is in Washington discussing trade relations. Live cattle is one of the items under discussion. If the tariff is taken off, with the amount of cattle we have, there would be very few cattle for export to Great Britain. If we were permanently shut out from the United States market, and our only market outside of Canada was the European market, then we would be well advised to have the steamship companies fit steamers for live stock only.

Hon. Mr. BURNS: For 500 pound cattle and up?

Mr. KENNEDY: Yes. Then every week you could get space.

Hon. Mr. GILLIS: In the event of an agreement of that kind being entered into between the States and Canada, it would handicap considerably the number of cattle for shipment to Great Britain?

Mr. KENNEDY: For two or three years, until we get a surplus of cattle. It takes some time to get a surplus of cattle in Canada. We are short of cattle at the present time, as compared with seven years ago. Senator Burns and Senator Riley know that that is so in the West.

Hon. Mr. RILEY: Mr. Kennedy, I have heard it stated by a man who has had considerable experience in shipping cattle, that small cattle can be shipped in pens containing eight or ten head. Do you think that is feasible?

Mr. KENNEDY: That is perfectly correct. We did that on our steamers.

Hon. Mr. RILEY: That would give the shippers of baby beef an opportunity to ship at a reasonable rate?

Mr. KENNEDY: That is right. There are a great many advantages in having a steamer fitted for live stock only.

Hon. Mr. BLACK: Mr. Kennedy, did you find that the shipping of small cattle in pens was satisfactory and safe? It seems to me that in rough weather they would be apt to break their legs.

Mr. KENNEDY: The mortality on the steamers that we used was, if anything, less than the mortality on the other steamers.

Hon. Mr. BLACK: And you shipped in the pens?

Mr. KENNEDY: Yes.

Hon. Mr. McLENNAN: That is, a certain number of small cattle were put in a pen without being separated?

Mr. KENNEDY: Yes, just the same as we shipped the hogs. Of course, we were operating, we bought the cattle and were selling them in the Old Country, so that we were simply serving ourselves on the steamers.

Hon. Mr. FORKE: I have seen fancy stock shipped in pens, and they would not have been shipped that way if there was much risk.

Hon. Mr. BURNS: There is no danger with small stock.

Hon. Mr. RILEY: The man that I referred to was a shipper of high class stock to the United States. He shipped them all loose in pens.

Hon. Mr. GILLIS: Are you able to say, Mr. Kennedy, what difference the removal of the embargo has made?

Mr. KENNEDY: The only advantage up to the present time is that the females and the bulls, I understand, can move into the country. Previously they had to be slaughtered on arrival.

Hon. Mr. GILLIS: That did not apply to the higher grade of animals, did it?

Mr. KENNEDY: No; they moved freely before.

The CHAIRMAN: Reverting to your remark about selling by auction in Canada, if that system were adopted there would still be a necessity to have the livestock commission firms?

Mr. KENNEDY: Yes, absolutely.

The CHAIRMAN: You have given us a great deal of information about the export of cattle. You are also a live stock commission dealer, and if you would care to discuss that phase of the business we would be glad to have you do so.

Hon. Mr. GILLIS: Before Mr. Kennedy passes on to that, Mr. Chairman, I would like to find out a little more about the system of auctioning cattle. If it were generally adopted all over Canada, would it require special legislation?

Mr. KENNEDY: The present Act provides for it; we can sell by auction to-day under the Act.

Hon. Mr. GILLIS: I imagine it would be quite an advantage to the producers if that system were generally in vogue all over Canada.

Mr. KENNEDY: We feel that it has a great deal of merit and we are willing to investigate it to the limit, but we would need the co-operation of all interests. If all interests felt that it was a system that would work for the good of all concerned, we could install it.

Hon. Mr. RILEY: The co-operation of the buyers would be needed.

Mr. KENNEDY: Yes, the co-operation of all concerned, all interests.

The CHAIRMAN: I understood you to say that you are at present giving that matter serious study?

Mr. KENNEDY: Yes.

The CHAIRMAN: And at a later date you would be in a position to give the Committee fuller information?

Mr. KENNEDY: We shall be very glad to submit all our findings.

Hon. Mr. BURNS: As I said a while ago, it would be hard to control the volume under that system, would it not? Would there not be a rush of shipments of cattle all at once into the yards?

Hon. Mr. GILLIS: That could be overcome.

Mr. KENNEDY: In reply to that, Senator Burns, I would say that if we were seriously considering installing it in the two Western markets we would have three auctions a week in Edmonton and three in Saskatoon, on alternate days, so that the buyers that were at Edmonton to-day could be at Saskatoon overnight, and vice versa. As far as the stock being rushed into the auctions, there would be three auctions a week for the full year so that the producer could pick the time when he felt he would like to have his stock sent in.

Hon. Mr. BURNS: And besides that, of course, you could control it by saying to the producers "Don't ship your cattle until they are fit".

Mr. KENNEDY: The commission firms get their information and a good deal of their training, Senator, from the packer buyers. We as commission firms get information daily from the packer buyers what they are likely to need during the week, and we advise the producers accordingly.

Hon. Mr. GILLIS: Do the packers fix the prices?

Mr. KENNEDY: I think that question had better be put to the packers, Senator.

Hon. Mr. RILEY: At the present time the men engaged in raising cattle in southern Alberta, at least, sell their cattle right on the ranch and never in the stockyards, or at least very seldom. If you want to buy from those men you have to go out on the ranch; they would not take a chance of sending their cattle into the stockyards. Senator Burns knows that. If he wants to buy cattle from me he sends a man out there to my place—in the early days he came out there himself. When the stockyards were built out there Senator Burns said, "All the cattle will be shipped into the stockyards now, so I am going to take off the buyers." I said, "Mr. Burns, here is one man who will never ship his cattle into the stockyards. If you want to buy my cattle you will have to buy them as you have always done." And that has proved to be true, has it not, Senator Burns?

Hon. Mr. BURNS: Yes.

Hon. Mr. GILLIS: Of course you are in the business in a big way, Senator Riley. But what you say would not apply to the poor man who has only a few head of cattle.

Hon. Mr. RILEY: No.

Mr. KENNEDY: I think it is safe to state that all over the world the competitive market is the best place for the producer to sell his live stock.

Hon. Mr. BURNS: I quite agree with you, Mr. Kennedy.

Hon. Mr. RILEY: The objection is this. The man that raises cattle ships a car-load, or two car-loads, or ten car-loads in to the market; possibly the price he is offered does not satisfy him; then he is in the position of either having to take that price or take his cattle home. On the range, if the owner does not like the price offered for the cattle, he lets the buyer go.

Hon. Mr. BURNS: Another man will come next week and pay the price.

Hon. Mr. GILLIS: That is more or less a competitive market.

Hon. Mr. RILEY: It is a competitive market.

Hon. Mr. GILLIS: As far as the big fellow is concerned.

Hon. Mr. RILEY: The cost of shipping is heavy. We have to pay freight and commission charges to ship in to market.

Hon. Mr. BURNS: Do you not think the rates on the ships and the railways are too high? They are decreasing now, but they have been pretty high, and lately cattle prices have been low. When you pay \$15 or \$16 a head—

Mr. KENNEDY: That is a question that I think Mr. Burrell had better deal with. As I said before, we have nothing to sell in the stockyards but service. We keep a hotel for live stock. It is open three hundred and sixty-five days in the year and twenty-four hours a day. It does not make any difference how the price goes, whether it is three cents a pound or twenty cents a pound, we charge no more for the service. We cannot keep up a service unless the rates charged will give a fair earning on the capital invested.

Hon. Mr. GILLIS: It cannot fluctuate, like the prices?

Mr. KENNEDY: It is impossible. In fact, receipts at the present time are such that we are labouring under much greater difficulty than we were when the volume was two or three times as large.

Hon. Mr. BUCHANAN: Suppose that we do not succeed in getting entry into the United States market, and are left with the British market, what would you say the producer should do in order to cultivate that market to better advantage than he has in the past? You spoke about providing proper shipping facilities. Should there be an organization of the producers in order to regularize the supply so that the British buyer would be assured of a regular supply of Canadian cattle and so the boats could count on a regular supply?

Mr. KENNEDY: I think that is a matter for the producers to deal with. I think that is out of our realm. My feeling is this: That the law of supply and demand rules. We cannot set down in theory what supply we need in the month of June, the month of July, the month of August, or the month of November.

Hon. Mr. BUCHANAN: You get the boats to provide certain space; you establish a reputation for your stock in Great Britain; and if you are going to maintain that reputation and space, you have to regularize the supply. Sometimes the cattle are shipped to Great Britain, and sometimes to the home market. Do you not think that you have to regularize the supply in order to hold the British market and the steamship?

Mr. KENNEDY: You would need to have a steady supply, and it would be for the producer to arrange that. In the year 1926, I think, the report showed that Canada exported 110,000 head of cattle. In that same year Ireland exported into Great Britain a million and a quarter head. The export from Ireland has dropped down now to about 700,000 odd, so, if conditions here were normal, and we had our steamers and were shut out of the American market, it would appear that the demand for our cattle in Great Britain, if we had the right class of cattle, would be greater than it was in 1926.

Hon. Mr. BURNS: It would be a great help to us if we could ship a hundred thousand a year out of Canada at the present time. The number would grow. We have shipped 250,000 or 300,000.

Mr. KENNEDY: Yes, in years gone by.

Hon. Mr. BURNS: If we shipped a hundred thousand for the next four or five years, what would you think about that?

Mr. KENNEDY: I think it would be a pretty fair shipment out of Canada. I think if we were to guarantee 100,000 head of cattle any steamship company would be glad to get it.

Hon. Mr. GILLIS: It is quite possible to have that number in a year or two?

Mr. KENNEDY: Possibly, yes.

Hon. Mr. BURNS: At the present time we could almost scrape up and ship about 100,000 a year. What could we ship this year?

The CHAIRMAN: You have no doubt that if the cattle business got back on a paying basis the volume would increase?

Mr. KENNEDY: No question about it. There is no country in a better condition than Canada—if conditions were normal and prices profitable—to develop the trade with the British market.

Hon. Mr. McLENNAN: Suppose Mr. Bennett should come back with a greatly reduced or totally removed duty on cattle in the United States, what sort of fist would Canada make of supplying both the United States market and the English market?

Mr. KENNEDY: We would not need any boats for the trade with Britain if conditions in the United States were normal and the tariff was removed.

Hon. Mr. McLENNAN: That is, all of Canada's cattle would go to the United States.

Mr. KENNEDY: The surplus would go to the United States.

Hon. Mr. McLENNAN: And all that is being done now to promote the British trade would be lost?

Mr. KENNEDY: Of course, in reply to that, Senator, I would say that prices in the United States at the present time are very little more on the same quality of cattle than they are in Canada, and unless conditions in the United States improve there would be an export of cattle from the United States to Great Britain. Cattle were exported quite heavily from the United States to Great Britain in the year 1921; we sent them by the train-load from the Omaha market and the Chicago market to Great Britain via Canadian ports.

Hon. Mr. GILLIS: Conditions would not permit that to-day?

Mr. KENNEDY: Very nearly. The prices in Chicago and other western United States markets are very nearly on a line.

Hon. Mr. RILEY: I think the minister made the statement that the American people are looking to see if they cannot ship cattle to the Old Country through the port of Montreal.

Mr. KENNEDY: I think they are. They are just about on a line now. You asked me, Mr. Chairman, to make some statement in connection with the commission companies.

The CHAIRMAN: Yes, if you wish to.

Mr. KENNEDY: There is just one statement I should like to make in connection with the commission companies. Conditions are rapidly changing. The producers of livestock are using the truck instead of the railway car, and practically forty-five per cent of the live stock coming to the Toronto market now comes by truck. The commission firms have a great deal more work to do and a great deal more service to render on the stock that comes by truck than on the stock that comes by rail, and it is absolutely necessary that the charge for selling truck stock should be a little more than the charge for selling carload stock. That is the only statement I should like to make, Mr. Chairman, because that question has been raised so frequently.

The CHAIRMAN: Another point brought out was in connection with the cost of feed. Perhaps Mr. Burrell will be the man to attend to that?

Mr. KENNEDY: Mr. Burrell will deal with that, Mr. Chairman.

Hon. Mr. BUCHANAN: Mr. Kennedy, have you heard of the application to the Railway Commission for a reduction in the rate on the movement of dead cattle from Western Canada to the East?

Mr. KENNEDY: I am not familiar with that.

Hon. Mr. BUCHANAN: If that reduction did take place, how would it affect the movement of live stock?

Mr. KENNEDY: Anything that would lower the freight rates on dressed beef—Senator Burns would know this—from Western Canada to the East would

raise the price of live cattle in Western Canada, and the railroads would have to give some consideration, I would think, to the shipment of live cattle.

Hon. Mr. BUCHANAN: I understand the application is only for dead or dressed beef.

Mr. KENNEDY: That might be true, but an application might come in later from the live stock interests.

Hon. Mr. BUCHANAN: Had you heard of that application, senator?

Hon. Mr. BURNS: Yes. Really it is cheaper now to ship live cattle than to ship dressed beef.

Hon. Mr. BUCHANAN: I heard that the ranchers in the southern part of Alberta object very strongly to anything of that sort being granted; they think it would harm the live cattle business.

Hon. Mr. BURNS: I guess it would.

Hon. Mr. GILLIS: Shipping the cattle as dressed beef would save freight charges to a certain extent.

Hon. Mr. BURNS: I do not think it would make any difference.

Hon. Mr. RILEY: You ship at ninety cents to one dollar and twelve cents from Calgary to Montreal?

Mr. KENNEDY: Yes; at one dollar and fourteen cents from Edmonton to Montreal.

The CHAIRMAN: We thank you, Mr. Kennedy. You have given us a great deal of valuable information.

We will now call on Mr. Burrell.

Mr. A. W. BURRELL (Manager Edmonton Stockyards, Ltd., Edmonton): Hon. Senator Donnelly, Chairman and Hon. Senators, when I was called down here I did not know just what I was coming for, but I prepared a statement with regard to the operations of the Edmonton stockyards particularly. I thought if I might have the privilege of reading it, you might interrupt me at any time as I proceed. It appears to me that perhaps everyone is not familiar with how the stockyards operate, and how they get their revenue. I think in this statement I shall be able to give you a pretty fair idea of stockyard operation.

This statement refers to the Edmonton stockyards.

These yards opened for business in October, 1916. There were then established in the city of Edmonton three packing plants. The surplus live stock produced in the territory tributary to Edmonton, which the local packers could not use, was shipped mainly to eastern points by packers or drovers. The yards were established by private capital and received no subsidies of any kind from governments or any other source. Prices received in Edmonton district for live stock were then on a basis of eastern markets, less the cost of transportation, feed in transit and allowance for shrinkage and a profit for the drover or shipper.

That will explain the situation when the stockyard opened.

The stockyards company were not given any monopoly and solicited business entirely on the services rendered at prices which were public. In other words, the farmer or producer of live stock was not compelled to use the stockyards and if he did, he knew exactly how much he had to pay for the privilege of offering his live stock on a market where everyone could meet in competition. The same situation exists to-day that if a farmer does not wish to pay the stockyards charges, he is not compelled to use the facilities. He can choose any other form or place to market, whichever suits him best.

In 1917, the Live stock and Live stock Products Act was enacted by the federal governments, which provided live stock markets at stockyards being brought under Dominion Government supervision. This market came under supervision in 1918, and has since operated in this manner. Supervision, in the case of stockyards companies, meant that facilities provided had to be approved by the government. A markets representative was placed on the market and all operations came under his supervision.

Hon. Mr. GILLIS: That is a Government representative?

Mr. BURRELL: A Government representative is on the market every day.

This company gladly co-operated with the Government in every respect then, and has continued to do so. The Government then made the stockyards the centre of their activities in live stock marketing. Here all live stock marketing policies such as assistance in freight charges on stock being returned to the country for breeding and feeding were put into effect. All records of the operations at stockyards, such as record of receipts of shipments, weights and prices then became public and a daily marketing news service was built up giving the day's receipts, prices and general condition of the market.

The stockyards companies were ordered to install type registering beam scales which punch the weight at time of weighing, doing away with possibility of error which might be made through reading weights, and then transcribing such on the scale tickets. Weigh-masters before appointment had to be passed on and be satisfactory to the Government. The quality of feeds supplied came under the oversight of the markets representative. The equipment of the yards had to be maintained to certain standards. Commission firms were bonded for \$10,000 and an exchange was formed to govern trading operations, of which all members and salesmen of commission firms had to be members in good standing. It will be seen by the foregoing that everything possible was done to make trading on stockyards markets safe for all patrons whether buying or selling.

The charges which stockyards and commission firms were allowed to charge for services rendered and for feed, before the Act came into being, were on a basis of charges collected in the U.S.A. by stockyards rendering same services there, which stockyards had been established for some time and had experience of charges required and in negotiations between the Government and stockyards companies, a scale of charges was agreed upon. These charges were based on a supposition that same would allow the stockyards companies a fair return on capital invested. In the case of the Edmonton Stock Yards, which is an originating market, receiving practically no feed and water in transit business, the scale of yardage charges set in 1918 proved inadequate, and extra charges were allowed. Feed charges were fixed on a basis of a handling charge of \$4.50 per ton, plus a profit of \$10 per ton added to the wholesale cost of feeds and are adjusted monthly. It will be seen that charges then were agreed on practically on a trial basis, and it was proved at Edmonton at least that so long as good volume of receipts were received, the charges set, allowed a fair return on capital invested, but when receipts declined particularly of cattle, and volume of feed used was seriously reduced, the operation of stockyards became difficult.

Hon. Mr. GILLIS: Do your references to feed apply to hay only?

Mr. BURRELL: We feed only wild hay in Edmonton to cattle and barley chop to hogs.

Receipts of live stock at Edmonton though fluctuating somewhat climbed fairly steadily to 1926, and the necessary additions to the facilities required to handle the business offered were provided on the supposition that receipts would be maintained and possibly increased. This supposition proved to be erroneous, as since 1926 receipts of cattle and calves have steadily declined, so that at the present time the Edmonton Stock Yards Limited finds itself with buildings and equipment very much more extensive than the present volume of business requires, but cannot relieve itself of the cost of carrying these facilities not required at present.

I just wish to say here that we expended only to meet the demands. The receipts kept increasing until we reached a peak in 1926. Up to that time we were adding and adding, and at times we almost found it necessary to declare an embargo. That was in 1922 and 1926. In 1922 there was a drought, and also in 1926, and in that latter year the Wheat Pool was going at its best, with very high prices, and farmers were getting out of the cattle business. We reached a peak point in that year of 100,000 cattle, but since then there has been a steady decline. I want to make it clear that we did not expand foolishly, but only added the equipment as we thought it was required.

Maintenance of extra facilities, over present requirements and depreciation reserve charges have been cut to the bone, but nothing can be done towards recovering the capital invested, or reduction of carrying charges such as insurance, taxes, etc. As a matter of fact property taxes in the last twelve years have increased by 145 per cent, not including income taxes.

At the time of establishment of the Edmonton Stock Yards, the receipts to stockyards were contributed mostly by drovers who bought the farmers' live stock and shipped in carloads to market. This allowed live stock to be sold in carlots or part carlots, as there was only one owner concerned and the drafts going over the scales were as a rule fairly large, perhaps only one to three or four weighings to a carload of say 25 head of cattle and 80 hogs. In 1919, the co-operative shipping of live stock commenced, this meant that as high as 25 to 30 owners were represented in a carlot of live stock, and as each owner's offerings had to be weighed separately, meant considerable more work for scales and to get the work done necessitated provision of extra scales, extra scale crews, more scale tickets and although a cause of much extra expense to stockyards, no extra charges were asked by this company, as they believed this to be the best system of marketing for the producer, and wished to do everything possible to encourage it. A Producer's Co-operative Association known as "The Pool" grew under this plan to a point where they were handling fifty per cent of the receipts at Edmonton Stock Yards, but through causes known only to the association themselves, they in 1932 went into bankruptcy and for the time being at least co-operative shipping in Alberta has received a setback. The point I wish to bring out here is that the stockyards company has done everything possible to provide facilities for the producer to use the market himself at no extra cost in comparison with the drover, although his offerings required much more service to handle.

In the fall of 1922 the Government inaugurated the system of hog grading. This meant the addition of facilities for this work and again made a further slowing up of operations. Still the Stock Yards Company carried the load without extra charges, hoping always that these policies

would mean more money to the producer and eventually mean more volume to stockyards. Unfortunately this has not proved to be the case, as in 1931 and 1932 the stockyards at Edmonton handled only 28 per cent and 25 per cent of the hogs marketed at Edmonton, which is approximately the percentage handled since establishment.

I might say here that I have extreme difficulty in finding out what is marketed at Edmonton. The receipts at the other points, the three packing plants and one buying station, are not published, but for the last two years I have been able to get the total hogs graded at Edmonton, apart from the stockyards, and by adding the hogs graded at Edmonton, at the three packing plants and the buying station, to our figures, I am able to get these figures: 28 per cent in 1931 and 25 per cent in 1932. That means that 72 per cent in 1931 and 75 per cent in 1932 went direct to the packing plants and were not offered on the competitive market.

Hon. Mr. GILLIS: They did not go through the stockyards at all?

Mr. BURRELL: No, we never saw them.

It will be apparent that the stockyards competitive marketing system has been built up and regulated by the Dominion Government with an endeavour to secure for the producer the best prices that an open competitive market can afford. In this connection I would point out that the information given to the public by the markets representative as to receipts and prices daily is the only information published.

That is the only information that gets out to the public every day, the receipts at the different stockyards and the prices. That applies all over Canada.

Hon. Mr. FORK: The packers do not publish any statement?

Mr. BURRELL: They do not publish any receipts or prices.

It must be assumed, therefore, that trading in livestock generally is done on these prices, although at Edmonton the stockyards only receive from 25 per cent of the hogs and only this 25 per cent is available for competitive bidding. The producer evidently is willing to sell direct to drovers or packing plants on a basis of comparison with prices developed at stockyards on 25 per cent of production, possibly to save the visible charges of stockyards marketing, overlooking the perhaps to him invisible point that by reducing volume on public markets, he reduces the quantity available for competitive marketing. If purchasers can secure their requirements out of competition they can then cause the public markets to become dull and slow, and bid on their requirements for direct shipment in line with prices on public markets, which under light receipts with buyers hanging back and with the prices offered there being the only information available at that time to the producer, are not a true reflection of production, marketings and prices. If the larger purchasers try to, and can secure the bulk of their requirements without coming on to the public markets, then this method must be of advantage to them and of corresponding disadvantage to the producer. It would appear that to safeguard the producers, receipts and prices at packing plants and other concentration centres should be given the same publicity as at stockyards.

I am handling this entirely from the stockyard point of view, as I see it.

Safety of Funds:

Before a commission firm can operate on stockyards, it must obtain a bond for \$10,000 in favour of the Government, and operate a shippers trust account to protect the returns due to the producers. Such regulation

does not apply elsewhere, with the result that not one dollar has been lost by the producer on Edmonton stockyards, while considerable moneys have been lost through N.S.F. cheques on live stock sold at country points through country buying.

In that connection there is a fellow who comes to Edmonton every year, and who sometimes asks the market representative "Have I any chance of getting the cash for this cheque for \$1,250?" He has no chance. He sold to a drover in the country, and the drover has left the country. This man has lost \$1,250; and no matter what price he got for the cattle it is not enough.

Hon. Mr. FORKE: There was a time in the St. Boniface stockyards when the commission firms went broke.

Mr. BURRELL: The bond protected them.

Hon. Mr. FORKE: There was no bond.

Mr. BURRELL: That is before my time, then. My connection with the stockyards commenced in 1918. Since the bond has been demanded there has not been a dollar lost on the Edmonton market. Edmonton opened in 1916, and its record has always been perfect.

Now, there is another point, the weighing.

As already pointed out extraordinary precautions are taken at Edmonton stockyards to give correct weights. Scales are tested quarterly by Dominion Government Weights and Measures Service and weekly by our own mechanics, the company keeping a ton of 50 pound weights always on hand for this purpose. Four sets of scales are available at Edmonton stockyards for comparison purposes should there be any doubt as to the accuracy of any one set of scales.

It sometimes works out this way: A commission man puts a steer on the scales, and it weighs 1,050 pounds when he thinks it should weigh 1,100 pounds. To satisfy him, we weigh it on another set. We seldom find scales going out of order without them being checked up. The weighmaster is an experienced man, and he can tell by the way the beam is acting if the scales are out of order. The commission men stand by, and if they put on a calf that should weigh 200, and it only weighs 150, we will re-weigh. There may be a little manure on the scales, and he just calls "balance" and the weighmaster balances the scales.

The weighmasters are employees of the stockyard company, passed on as to their qualifications by the Dominion Government, are not interested in any financial way in the purchase or sale of the live stock, and therefore have no reason to give any other but the correct weights. Scales all have type registering beams, typing the weight on scale tickets at time live stock is on scales, and scales are in full view of the public at all times. I do not know of any other place where these same conditions obtain and if the Government demands such safeguards on public markets then the same should be demanded elsewhere.

Charges:

When considering cost of marketing through stockyards it must be remembered that yardage and feed charges are the only sources of revenue available to companies operating such. They do not buy, sell, or deal in live stock, simply provide a market place where buyer and seller may meet with every safeguard for honest trading. The stockyards provide service such as receiving, unloading, loading, feeding, etc., 24 hours daily and 365 days in the year. Provides a cash market for any quantity of live stock of any quality at any time.

I should just like to say here that we do not always say that we will get a high price for the stock. Occasionally the Western farmers all become of one mind, and flood the market. We are always able to clear the market at some price. I remember one year when we had about 150 car-loads in three days. There were no buyers. A fellow by the name of Daniels came up from Chicago, and shipped down to Milk River, in Alberta; he bought by the car-load and cleared the market, and by the time he cleared off the market other buyers came. We took care of them.

Maintains supplies of feed available in any quantity at any time.

We do not know to-day what we are going to get to-morrow. We cover a larger territory from the Peace River to Red Deer, and to Lloydminster on the east, and it is impossible to know this week what is coming in next week. So, at Edmonton we buy most of our hay in the fall of the year, and put it in sheds and keep it, and we usually have fifty car-loads on hand to take care of any emergency.

In over sixteen years of operation the Edmonton stockyard has never failed to properly take care of anything and everything and has maintained and increased its facilities in order to do so. Charges have remained steady, they did not increase when live stock prices were high. Costs of operation cannot be reduced except in wages which were never at any time high. Taxes have increased, as said before, 145 per cent, income tax has increased, fire insurance charges remain the same. Utilities such as electricity, water, telephones have not been reduced and our allowance on feed has remained the same—

And here is the qualification.

—until February 15 this year, when, to help the producer, we reduced our feed charges 25 per cent at considerable loss. Only possible increased steady volume in future holds out any hope of our making dividends for our shareholders.

I think I might say here that when Mr. Kennedy ordered a reduction of 25 per cent in feed charges, I was against it. I didn't mind giving 10 per cent, but I thought 25 per cent was too much. But the board of the company evidently felt they had to do something to help the producer. This is costing us considerable money, and is making it very difficult for us now to keep out of the red.

Hon. Mr. BURNS: What does hay cost there?

Mr. BURRELL: Our inventory cost at the present time is around \$8.88.

Hon. Mr. BURNS: That is pretty cheap.

Mr. BURRELL: Yes. That is the price on the railroad cars. We have been paying from \$8 to \$9. We started off at \$9, and found there was a large supply, and the price was reduced to \$8. But of course we carry quite a large stock, and if you have some at \$9 it takes a considerable volume at \$8 to get the price down. I think the price at the present time is about \$8.88.

If the producer wishes to see the public market maintained then it must be left to the stockyard companies to collect such charges as will allow them to continue in operation, otherwise they cannot continue without subsidies from governments and this we do not solicit.

From experience, I find that the average farmer does not use the cheapest form of marketing possible nor does he always take heed of the markets requirements. Too often, the live stock are the only cash items on the farm, and in the West are often hurried to market to provide cash irrespective of the condition of the market or of the livestock. Then for his convenience, sometimes I am sure without thought of cost, he ships

by truck at high cost, whereas by combining with his neighbours and shipping by railway, he may save from 25 to 50 cents per cwt. on shipping charges alone.

The truck rate from a point in Alberta, from Hay Lakes, say, is 40 cents a hundredweight, and if they have to go a little further from the town they charge 50 cents. Two or three farmers who had from eight to ten or twenty hogs, got together, loaded a car, and shipped by rail to Edmonton, paid all the stockyard and commission charges, the rate was eighteen and a half cents per hundred pounds, as against a rate of from forty to fifty cents by truck. But of course the farmer had to haul them from the farm to the depot—he had to do some work, but nevertheless that was the difference on that particular shipment. It was drawn to my attention by the commission firm. They said: "Don't you think you should do something about this?" We are doing something every day to try to show the producer how he can market cheaply.

Quite often after raising his live stock carefully, he hands it to a truck driver, who takes it to the most convenient place for the trucker, who without knowledge of its value sells to a buyer at a place where there is no competition.

At Edmonton I had a conversation with a trucker, an estimable chap too. His name happened to be Pat. I said, "Pat, why don't you come to the stockyards now?" He said, "Well, I only get so much for hauling the stock, and it is a little further to go to the stockyards. So I just sell it to the plants down town. I doesn't matter to me what I get for the stock, I get the trucking rate. I have merchandise to take back, and I am often on the road up to eleven and twelve o'clock. If I go out to the stockyards I will be so much later."

In my twenty-nine years' experience in the West, I have learned that stockyard companies and commission firms fully earn their charges by securing the full value for the producer. No person, who is not on the market every day, can tell what the value of an animal may be.

Even if Mr. Kennedy was off the market for a couple of weeks, when he came on the market again he would inquire around and ask, "How are cattle selling now?" He would get sharpened up on the market, he would make himself acquainted with what changes had happened on the market, if there were any increases on the price. The farmers cannot do that. The commission man is in touch with the demand, he knows the trend of business, how trade is elsewhere. When he gets an animal he probably knows who is the best buyer. Perhaps Burns may want cows, Swifts may want steers, and other men may want a few baby beef for Vancouver. The commission man knows that, he knows where to pick the best buyer. If he is a good trader he sells. If he does not get bid enough according to the value of the stock, he tries and possibly sells to another fellow. Sometimes it develops into a private auction sale where prices are not known until the animal goes over the scale.

At stockyards, commission men are engaged in an honourable business, they can only succeed by working on behalf of and trying to satisfy the producer. They know values, and fully earn their charges by knowing current values and finding outlets for offerings.

Up to date, the method of selling at stockyards is conducted on the system practiced on stockyards in the U.S.A. The commission man handling, selling to whom he thinks will be the best buyer at what he feels is the market price. At the present time this company is investigating the system of selling by public auction as practiced in the British Isles and if found suitable to conditions in Western Canada and likely to receive support of the producers and the buyers, will be prepared to provide facilities to permit this method of sale.

I may say two or three producers' organizations have expressed themselves that that is the only sound method of selling.

The establishment of stockyards has surely meant that the producer gets near value for his live stock no matter where he sells, as the prices are made public every day by newspapers and over the radio, the producer has, thereby, a check when the drover tries to buy his live stock. This is another reason why the producer should see that the stockyards remain in business.

Now I shall be glad to answer any questions.

Hon. Mr. GILLIS: In the vent of that system of public auction being adopted generally, would not a large portion of the business come to the stockyards?

Mr. BURRELL: It might, it depends entirely on the producer. I find at Edmonton that the stockyard prices are made public over the radio. The price at the stockyards might be \$4.24 for hogs. The producer knows that. He goes to the packing people and asks, "What is the price?" They would be paying the same price as we are. Of course, the producer can save a little money, but we have developed the competition.

Hon. Mr. FORKE: Do you think there is always competition at the stockyards?

Mr. BURRELL: That is the only place where there can be competition.

Hon. Mr. FORKE: From my experience I have thought there was not very much competition.

Mr. BURRELL: I can tell you what happened last week. There are one or two points in Alberta where a large number of hogs are concentrated. The packers bid on those by wire. The prices bid by three prominent packers were \$4.60, \$4.55 and \$4.30 at country towns. The packer, of course, who bid \$4.60 got the hogs. The fellow who bid the \$4.30 was short of hogs. He came on to the Edmonton market last Thursday and raised the market 25 cents per hundred pounds and bought eight carloads of hogs. He had to get hogs, and he had to step on to the market. He got the hogs, but he raised the market up to \$4.85 fed and watered.

Hon. Mr. FORKE: Of course, there are good days and bad days on the stockyards.

Hon. Mr. BURNS: That is, some days they want hogs, some days they do not. I suppose those hogs went East?

Mr. BURRELL: No, they went West, Senator Burns. In fact they went to your plant at Vancouver. I know you are familiar with the situation down Blind Man Valley.

Hon. Mr. BUCHANAN: You say the farmer sells practically to the packing plants in Edmonton?

Mr. BURRELL: Seventy-five per cent of the hogs marketed in Edmonton go direct to the packing plants.

Hon. Mr. BUCHANAN: Are the packing plants' buyers on the stockyards market?

Mr. BURRELL: Yes.

Hon. Mr. GILLIS: I suppose they imagine they are saving the stockyard charges?

Mr. BURRELL: Yes. That is visible, but they forget the invisible part. You take with cattle, when a man wants to get a good price for an animal on the farm he gets it in the best possible condition. That is just what the commission men at the stockyards can do. Cattle come in, as a rule, at night. They are

bedded, fed, fed again in the morning and watered. They are rested. If they do not look good enough they are often held another day, so they look good to the buyer.

Hon. Mr. GILLIS: That is before they are weighed?

Mr. BURRELL: Before they are weighed. They are not weighed until after they are sold. Now, it is my opinion that the same thing would apply under a system of public auction, that the commission men would remain in business. I am expressing only my own opinion, and it may be in variance with that of some other members of the firm. We have not yet been able to discuss these various points.

Senator Burns referred to the possibility of the markets being flooded with cattle. Now, markets are only flooded with cattle under emergency conditions, such as drought or shortage of pasture over a fairly large territory. In those emergency conditions it seems that the farmers suddenly become of one mind, possibly because the conditions are the same on every farm, and the result is that the market is flooded. But those conditions do not apply to-day. The commission firms know practically all the feeder cattle that go into a territory. They know the kind of cattle that nearly every farmer has got, and they keep in touch with him, go out and look over his cattle, and they advise the farmer. They say "When do you want to sell?" Perhaps the farmer will say "Well, I have got enough feed to last until April or May." The commission man will keep the farmer in mind and when the market is right he will go to the packer buyers and say, "Can you use a good load of steers? If so, what can you pay for them?" He will describe them, giving an estimate of their average weight, and the packer may say "Well, if they are as you say, they might be worth from \$3.50 to \$3.75." The commission man will then get in touch with the farmer and say "It looks like these cattle of yours will be worth \$3.75 next week. Do you want to send them in?" That is the kind of service the commission firms give to the farmers in the country. And that is the only way the farmers can get such a service. Now, the Hon. Senator Riley said he does not ship his cattle to the stockyards. How does he know that he gets the right price for them?

Hon. Mr. BURNS: Don't be afraid; he gets the right price for them.

Mr. BURRELL: Well, perhaps he keeps in touch with the prices on the public markets.

Hon. Mr. RILEY: You must remember that there is a radio on most of the ranches now, and prices are broadcast.

Mr. BURRELL: We were not favoured with your business, Senator, but possibly you based your figures on those that were paid at the stockyards.

Hon. Mr. RILEY: I want to bear you out in what you say about the commission men keeping in touch with the farmers who have the cattle. You are absolutely right. The men who produce the cattle get most of their information from the commission men.

Mr. BURRELL: That is the point I wish to bring before this committee.

Hon. Mr. RILEY: You are absolutely right there.

Mr. BURRELL: At the present time there is a hue and cry about prices, and I think the producers are trying to make us the fox to hunt. I welcome the chance to come before this Committee and tell something of what we are doing for the producers. We are under the supervision of the Government, and they know what we are doing. I myself know the conditions under which I labour at the present time, and I know that the producer gets value for every cent, as far as we are concerned.

Hon. Mr. BURNS: You do a lot of work and give a lot of service to the country.

Mr. BURRELL: I am glad to hear you say that.

Hon. Mr. BURNS: As Senator Riley says, people hear of your prices through the radio.

Mr. BURRELL: Before I left home the Edmonton Journal published my picture. A man does not have to do very much in the West to get his picture in the paper—

Hon. Mr. BLACK: May I interrupt to make a suggestion, Mr. Chairman? It is now nearly 1 o'clock and I have an appointment to keep, but before I go may I say that perhaps the Committee will decide to postpone its sittings for some time after to-day. Conditions have changed since the order of reference was made to the Committee. In the first place, the United States has gone off the gold standard. Our Prime Minister is at Washington now going into the question of trade relations. It is possible that when he comes back he may have suggestions that would change the trend of this whole inquiry, and that would make it advisable to postpone the hearings of this Committee until another session.

Hon. Mr. GILLIS: I am not of that opinion. I think the information we are getting here to-day is very important. It does not matter what happens in the United States or elsewhere, so far as the importance of this information is concerned.

Hon. Mr. BUCHANAN: I think Senator Black's remarks apply to the cattle export trade. There may be some changes made there, but I think the information we are getting about our home market is particularly valuable. It seems to me that we have this morning one of the best statements that has been made to the Committee.

Hon. Mr. BLACK: After the Prime Minister returns we may get information that would enable us to proceed better than we are able to do now.

The CHAIRMAN: Of course, I am in the hands of the Committee. We have to make our arrangements some days ahead, in order to summon witnesses. There is a good deal in what Senator Black has said, I think. The main point in the reference was with regard to the export trade, and if the Prime Minister should make some arrangements that would result in diverting our trade to the South, things would be very different from what they are now.

Hon. Mr. GILLIS: I think while these gentlemen are here we should hear them.

The CHAIRMAN: Certainly we ought to complete the evidence of Mr. Burrell.

Hon. Mr. BUCHANAN: Mr. Burrell, you said you had reduced the prices on feed at the stockyards?

Mr. BURRELL: Yes, sir, at Edmonton.

Hon. Mr. BUCHANAN: Has there been a reduction at the other stockyards, do you know?

Mr. BURRELL: No sir, only at ours.

Hon. Mr. BUCHANAN: That ought to be broadcast over the radio too.

The CHAIRMAN: How do your prices compare with those charged elsewhere?

Mr. BURRELL: At the present time we are getting one cent a pound, \$20 a ton, for hay. I think that Calgary is getting \$1.10. We sell our hay by weight. That is, we unload a carload of hay, we pile it separately in such a form that we know exactly where that carload of hay is. We take the number of bales that were in the car and we divide the number of bales into the weight, and

that weight is the weight that we sell the hay on. In other words, we sell it at so much per hundredweight on the estimated weight of the carload. At Edmonton we feed the hay, the Stock Yards Company actually puts the hay in the mangers; the commission firms make out a feed ticket and the Stock Yards Company feeds the hay. At Calgary and Winnipeg they have a different system. In Calgary they average the weight of the bales of hay, they average the price and sell the bale of hay at so much. There it is the custom of the commission men to order the hay on the fence, as they need it. There are two different forms. Of course, I can speak only for Edmonton. No doubt you can get the evidence from Calgary, Winnipeg and Toronto, as to what they do there.

At Saskatoon we operate in exactly the same way we do at Edmonton, except that there is a very large feeding-in-transit business. There are heavy movements of hogs from Alberta and Saskatchewan east, and the bulk of our business at Saskatoon is feeding and watering, in transit business. If we had to depend on the revenue from the market stock in Saskatoon, we could not operate.

Hon. Mr. BURNS: There is no other yard there but your own?

Mr. BURRELL: The railroads have a small facility at South Saskatoon, but by our service we have got practically all of the business that goes through Saskatoon. We have first class facilities, all under cover. We can take out deads and cripples—you know the regular stockyard service—and we advise the shipper of every shipment, what time it arrives, when it goes out, what feed it gets, and the condition. There is no chance of any mixes. Packers can always get good service at Saskatoon. That business is practically keeping Saskatoon going at the present time; the market is not very big.

The CHAIRMAN: I understood you to say that only about twenty-five per cent of the hogs marketed in the Edmonton district come on the stockyards, and still the price is fixed by the quantity that comes on the stockyards. Does it not follow that if a larger amount came there would be a better price?

Mr. BURRELL: It would seem logical, if the packers had to go on to the market in competition. Last Thursday when they had to go on to the market they raised the stock yard market twenty-five cents. Immediately the packers, to get hogs at their plants, had to raise prices. It seems to me that is the only place competition can develop. When a man comes into your yard, Senator Donnelly, and says, "Will you buy a cow?" it is then your market; but if you go into his yard he has the advantage of you.

Hon. Mr. RILEY: Mr. Chairman, I have telegrams from producers in the West—from the Red Label Company of Lethbridge, who feed a great many cattle every winter, and who in some cases export their own cattle, and in others sell wherever they can get the most money for it. This organization is composed of producers. They would like to have a representative appear before this Committee to state what they think are their grievances. We also have another organization in Western Canada composed of the producers of commercial cattle in British Columbia, Alberta and Saskatchewan. This organization has been in existence for thirty-eight years, operating under a Dominion charter. It is comprised of men who are in the business for a livelihood. They think they should have a representative appear before this Committee. It takes some time for these men to get down here.

There are many other things which I think should be investigated. I have a statement here which probably summarizes the matter. If we are going to make an investigation it should be thorough; unless it is, we had better not touch it at all. A thorough investigation will take some time, and I do not think from what I have heard that we are likely to have the time now.

For your information I will read an article that appeared in the Winnipeg Free Press some time ago, which summarizes many of the things that should be investigated:—

The announcement by the British delegation to the Economic Conference, of the intention to remove all restrictions on the export of cattle into Britain is such splendid news that it should stimulate Canadians to get to work on the many expenses and irritating bits of red tape which hamper the trade on the way to Britain.

By no means all the petty drains on possible profits in the export trade have been due to British restrictions on the entry of Canadian cattle into that country. Here are a few of the things which badly need attention:—

Handling of shipping space so that shippers will not be at the mercy of speculators and brokers.

An article appeared in the Montreal Star a few days ago which said that to-day all the available space from the 1st of July is owned by two firms, which places the producer or the man who wants to ship his cattle at their mercy. If that is so, it should be remedied.

Inspection of feed is very defective, poor feed at high prices and too much of it, is too often the case.

The multiplying of small charges for this service and that, when frequently services charged for separately are performed by the same crew.

The supplying of men to accompany the cattle by a contractor, who appears to be more interested in how much he can get the men to pay for the privilege of going than in selecting men who will care for the feeding and watering of the stock in a proper manner. The man who pays the contractor \$10 or \$20 for the chance to go is very apt to feel he has paid his passage when he finds that some of his comrades have paid nothing. The cattle he is supposed to care for suffer accordingly.

The foreman on these boats would appear to be pretty highly paid, at least the shippers are charged 50 cents per head for his services as well as an additional 10 cents per head for tying up the cattle. As he frequently neglects this duty until the second or third day out, much bruising and not infrequently a broken leg is the result.

Rightly or wrongly, practically every shipper of export cattle is convinced that the Canadian brokers are bonused by the parties in Britain to whom the cattle are consigned.

This might be difficult to prove, but it would be equally difficult to persuade the average Canadian shipper that it is not being done. If it is being done it is a dead certainty that the receiver of the cattle is not standing the loss of the amount paid. It would assuredly be deducted from the price offered for the cattle.

These many fees, small in themselves, and the overly high prices charged for poor feed must amount to several dollars on every head of cattle going over.

It must be understood there is no imagination about actual charges mentioned, every shipper knows of and resents them, but hitherto there has been no co-ordinated effort to put a stop to them.

GOVERNMENT'S DUTY.

The federal government has duties in connection with the export trade.

These are some of the things that should be looked into. I desire to make that statement now as I may not be here this afternoon.

The CHAIRMAN: We should like to have your opinion as to whether you think this Committee should continue to sit under existing circumstances, or whether it should adjourn at the call of the Chair after the Prime Minister comes back from Washington.

Hon. Mr. RILEY: I should be in favour of the Committee adjourning at the call of the Chair.

The CHAIRMAN: Your remarks will be brought to the attention of the Committee when we meet after the Senate rises.

Hon. Mr. RILEY: These are the things that are causing unrest and irritation among cattle men.

The CHAIRMAN: I declare the Committee adjourned until the Senate rises this afternoon, probably about 4 o'clock.

The Committee adjourned accordingly.

The sitting of the Committee was resumed at 4 p.m.

The CHAIRMAN: When we adjourned Mr. Burrell was giving evidence but had not finished. We will ask him to continue now.

Mr. BURRELL: Mr. Chairman and honourable gentlemen, there are a few figures here that I would like to read. I spoke about the serious reduction in the receipts of cattle at the Edmonton stockyards, and I have the figures here for the first year of operation, 1916, to 1932. The 1916 figures are for only three months, but the rest are for a full year in each case. They are as follows:—

1916..	8,416	1925..	99,462
1917..	31,719	1926..	100,090
1918..	45,456	1927..	73,048
1919..	72,211	1928..	68,876
1920..	47,772	1929..	61,222
1921..	41,159	1930..	34,718
1922..	90,596	1931..	36,452
1923..	66,304	1932..	29,556
1924..	82,376		

It will be seen that 1926 was the peak year, with receipts over 100,000, and that in 1932 the receipts had declined to 29,556, a reduction of practically 75 per cent. As I said this morning, we cannot reduce our charges, because we had to put in the necessary equipment, we had to keep on making additions until 1926, to enable us to handle 100,000 head of cattle. In 1932 there were 6,815 calves received and 121,558 hogs. The hogs have remained pretty steady since 1926.

The statement I have here also shows the trucked and driven-in receipts, which are included in the other figures. I do not think I need go over all these. They show that a peak in cattle receipts was reached in 1925 and 1926. That was when the large feeding company was operating in Edmonton and all their cattle were brought into the stockyards for shipments. I can file this statement with the Clerk of the Committee.

Hon. Mr. GILLIS: Those figures do not include the receipts at the three Edmonton packing plants?

Mr. BURRELL: The receipts of cattle at the Edmonton packing plants are not available to the public. I made application to the Department but they would not give them to me. However, I tried to find out in another way: I applied to the Health of Animals Branch for the number of slaughterings at the

packing plants at Edmonton, and I got the number of slaughtered cattle, which includes the calves and cattle lumped together. I took the number of cattle and calves slaughtered, and from that I deducted what the plants buy at the Edmonton stockyards, and then I deducted the remainder of what they buy direct. I have the figures from 1921 to 1932, and I am just going to run over the percentage of cattle and calves lumped together that were brought from the Edmonton Stockyards. These percentages are:—

	Per cent		Per cent
1921	39	1927	62
1922	55	1928	63
1923	58	1929	57
1924	62	1930	46
1925	54	1931	38
1926	69	1932	34

From these figures it can be seen that the percentage bought on the open market has decreased since 1928.

The CHAIRMAN: That is the percentage of their total kill, is it?

Mr. BURRELL: Yes. For instance, in 1932 the total kill of cattle and calves was 51,629, of which 17,404 were bought on the market. They received direct 34,225.

With hogs it is quite a different story. From 1921 to 1932 the percentage of their hogs that were bought on the open market were:—

	Per cent		Per cent
1921	19	1927	14
1922	6	1928	19
1923	10	1929	16
1924	9	1930	7
1925	9	1931	2
1926	14	1932	4

I gave some figures this morning as to the percentage of hogs graded at Edmonton that were graded by the Edmontoin Stock Yards.

In 1931 the total of the hogs graded at the three plants in Edmonton was 277,287; at the Edmonton stockyards, 108,680; total graded in Edmonton, 385,967. The percentage graded at the Edmonton stockyards, was twenty-eight per cent in 1931, and this year twenty-five per cent.

Now, you realize that the revenues of the stockyard company depend on the amount of feed sold. I have here the tonnage of hay feed since 1916 at the Edmonton stockyards.

Year	Hay tons	Miscellaneous grain tons
1916 (3 months)	167	24
1917	1,429	212
1918	2,922	269
1919	3,524	131
1920	2,701	93
1921	1,861	156
1922	2,857	456
1923	2,281	403
1924	2,371	388
1925	2,604	281
1926	2,495	336
1927	2,019	293
1928	1,874	285
1929	1,536	487
1930	1,033	302
1931	945	265
1932	868	330

The barley chop, as we call it—miscellaneous grain—does not show the same fluctuation.

The increase in taxes, taking 1921 as a basis, is as follows:—

	Per cent		Per cent
1922	3	1928	117
1923	30	1929	122
1924	58	1930	135
1925	88	1931	147
1926	88	1932	145
1927	112		

The reason the figure was larger in 1931 than in 1932 was the legislation in the province of Alberta under the Foreign Companies Act. As we hold a Dominion charter, we had to register and to pay an amount that brought the charges up. I think those are all the figures I have with me that would be of interest.

Hon. Mr. GILLIS: Have you paid dividends every year?

Mr. BURRELL: We have paid dividends, but at the present time in Edmonton we are a year and three-quarters behind. Our dividends are paid up to June, 1931.

Hon. Mr. GILLIS: The reason I ask is that I am a small shareholder in the Moose Jaw stock yards, and while for a number of years they were paying dividends of five or six percent, for the past three or four years they have paid nothing. You have been paying dividends with the exception of the past year?

Mr. BURRELL: We have paid dividends, practically, something every year. We accumulated a small surplus in 1926. There is another reason that I think I may make public. For two years we did not write off any depreciation charges. Last year we took only fifty per cent. If we had provided for full depreciation charges we would not have been able to pay dividends. The dividends are paid up to June, 1931.

Hon. Mr. GILLIS: By reason of your not charging anything for depreciation?

Mr. BURRELL: Because of the necessity of paying dividends if at all possible, and in view of the state of the plant, the condition of repair of the plant, we decided that we could get along, hoping that we would strike a good year or two and might pick that up. It was merely a question of expediency.

Hon. Mr. BUCHANAN: The decrease in cattle receipts in the last few years represents an actual decrease too in the cattle population of northern Alberta?

Mr. BURRELL: Yes. I think there has been a severe decrease in production.

Hon. Mr. BUCHANAN: Is there any particular reason for it?

Mr. BURRELL: Yes, there is a reason. In 1926, you will remember, wheat was at a good price, and the Pool was going fairly strong. It looked at that time as if it was more profitable to grow wheat than cattle, and the farmers got out of cattle.

Hon. Mr. FORKE: There was a great difference in the price of cattle. It did not pay to raise cattle.

Mr. BURRELL: Oh, yes, the price of cattle has dropped. So has the price of wheat. But the farmers did not cease the production of wheat like they did of cattle. There was a tendency to regard wheat as the easier way to make money. Furthermore, in the last few years we have not had very much moisture in the West and the wells and sloughs have dried up. That may have helped to get the farmer out of cattle. Gradually, every year, they broke up more land, and there was less pasture available, because wheat looked most attractive at that time. I think that when you average live stock over ten years it will be quite

satisfactory. In every business there are fluctuations, and it would be unfair to always look at the low point. I think that over ten years prices have been fairly satisfactory.

The CHAIRMAN: Would not the growing practice of sending cattle direct to the packers affect the volume going to the stockyards?

Mr. BURRELL: Yes.

The CHAIRMAN: The total production would not be in keeping with the volume of cattle going to the stockyards?

Mr. BURRELL: No, I do not think so.

Hon. Mr. FORKE: I am astonished at the percentage of cattle that have gone to the packers direct.

Mr. BURRELL: Those are actual facts.

Hon. Mr. FORKE: I suppose you have no idea how the St. Boniface figures would compare with that?

Mr. BURRELL: No. The figures are not published, and I have had to go a roundabout way to get them. The packers or anyone can come to our yards and ask for the receipts. The receipts are published every week by the Statistical Department of the Government—that is, the receipts at all stockyards, and prices—the whole story. That is the only place you can get that information. You can see that these statistics cover only a very small part of the live stock marketed in Canada, so you do not get a right impression from those figures.

The CHAIRMAN: Would you care to answer this question: Do you think it is in the interest of the country generally, and of the cattle trade in particular, that the receipts and prices paid at the packing houses be published, the same as the receipts and prices at stockyards are published now?

Mr. BURRELL: Yes; if it is fair for one it is fair for the other.

Hon. Mr. GILLIS: We certainly ought to have that information.

The CHAIRMAN: If we have authority to get it. I am not saying that we have.

Mr. BURRELL: I have some other information that I should like to give this Committee. Just before I left home I figured out the cost of marketing three small loads of stuff that came in. On April 15 we had one load of 23 cattle. These figures do not include freight charges. For 660 pounds of hay and 300 pounds of straw for bedding, yardage, and unloading the stockyards got \$18.05, and the commission firms \$17 for selling. Figured on the weight of the cattle, the cost of marketing that carload was seventeen cents a hundredweight. The load of cattle gained 1,070 pounds. I thought one might presume that competitive marketing on the stockyards was worth twenty-five cents a hundredweight, which I think would be a very fair presumption. This man received \$52.17 more for the cattle. So that paid his cost of marketing, \$35.05, and gave him \$17.12 to the good.

Hon. Mr. GILLIS: What did the producer realize?

Mr. BURRELL: I have not the prices. That is a matter for the commission firms. I just wanted to show the entire cost of marketing, including commission and all stockyard charges, feed, etc., not including freight, amounted to 17 cents a hundredweight on this particular load of cattle.

Another load of cattle came in on April 13—19 cattle and 10 calves. The stockyard and commission charges were \$34.55, the cost of marketing was 16 cents per hundredweight. Taking the price as being raised 25 cents per hundredweight through being sold on a competitive market, the gain would be \$53.80, which would pay the cost of marketing and leave a balance of \$19.25.

Then I have a load of 88 hogs. The total cost here again was \$24.94, or fourteen and a third cents per hundredweight. I think that would give you some definite figures. There are three loads fed and watered at the stockyards. The figures include feed and everything else, all handling charges of every kind, but no freight charges.

If there are any other questions you would like to ask me I shall be glad to answer them. I think I have covered the ground fairly well.

Hon. Mr. GILLIS: I think so.

The CHAIRMAN: Any other questions of Mr. Burrell? Thank you, Mr. Burrell.

Gentlemen, you will recall Senator Black's remarks this morning with respect to further meetings of the Committee, and also Senator Riley's expression of opinion that this investigation should be a very thorough one, but that in view of the negotiations in progress in Washington at the present time it might be desirable for the Committee to adjourn at the call of the Chair. I think that would be the proper procedure, but I am in the hands of the Committee.

Hon. Mr. GILLIS: There are no other witnesses at present?

The CHAIRMAN: We have present Mr. Sproule, M.P. He is introducing what is practically new matter. He is a drover, but, of course, being a public man he represents the public generally and, I expect, would give notice to the unrest that is apparent in the country at the present time with regard to the operation of stockyards, and also in regard to commission men in general. Before deciding whether we shall ask Mr. Sproule to present his views, I should like to get the decision of the Committee in regard to whether after we adjourn to-day we shall meet at the call of the Chair.

Hon. Mr. GILLIS: I think we might as well adjourn now and take Mr. Sproule's evidence when we meet again at the call of the Chair.

The CHAIRMAN: There are a few other drovers with whom I have been discussing these matters and I should like to have them before the Committee.

Hon. Mr. BURNS: I think it would be a good idea, Mr. Chairman, to adjourn and await developments.

Hon. Mr. FORKE: We might have another meeting at the call of the Chairman. Outside of that, I think it would be just as well to act on Senator Burns' suggestion.

The CHAIRMAN: Would you prefer to go on now, Mr. Sproule, or wait until we meet again?

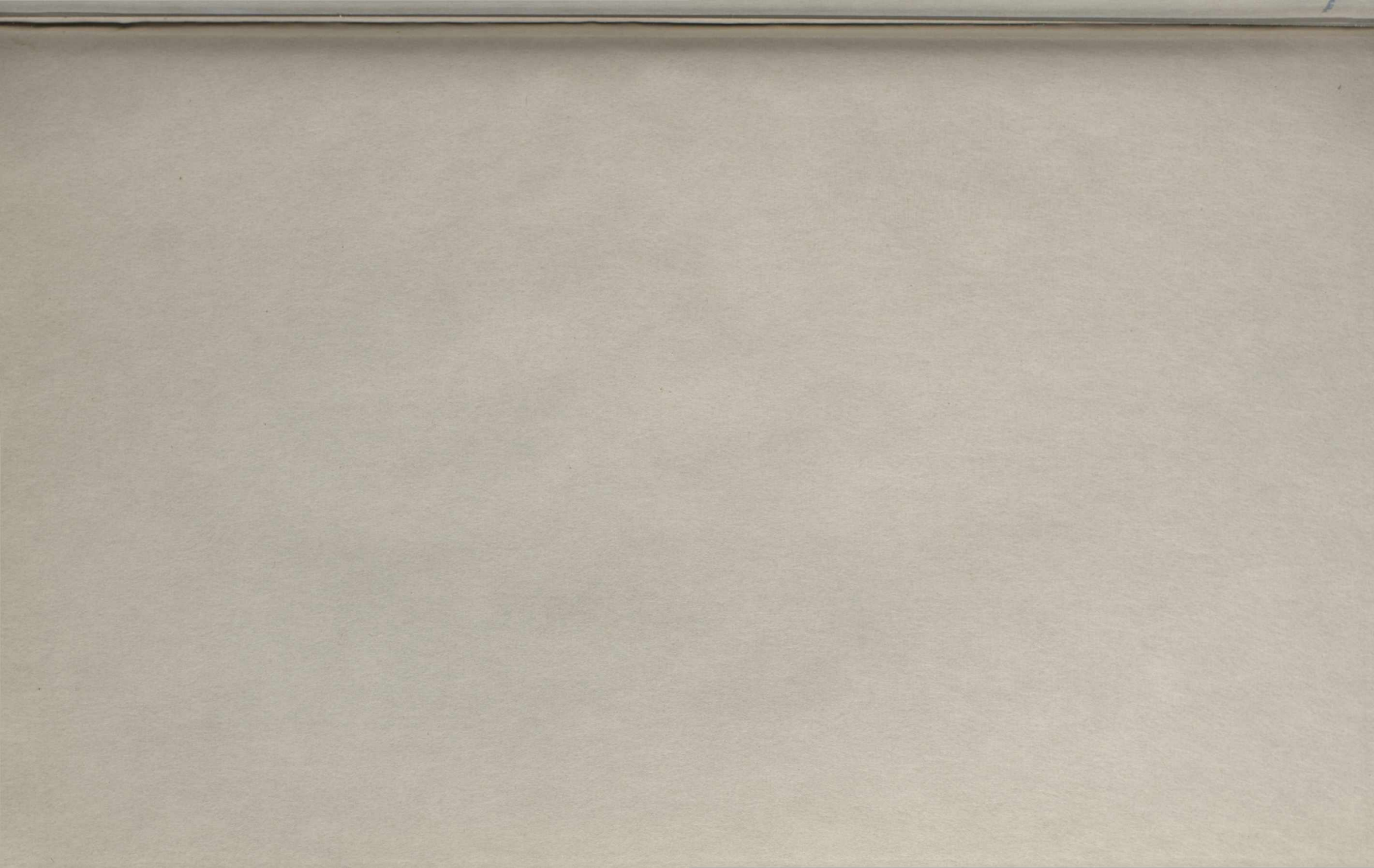
Mr. SPROULE: Whatever you like will suit me.

The CHAIRMAN: As I understand, then, it is the wish of the Committee that we adjourn, to meet at the call of the Chair. Our action will be governed by what transpires in the next week or so. If we feel that we have time to conclude our investigation we can call further evidence. If not, it will be necessary to make a statement in the Senate. Ordinarily everything dies at the end of a session, but we might make a motion to avail ourselves of the evidence taken so far.

Hon. Mr. GILLIS: I think you should defer any remarks on the floor of the Senate until we have had our final meeting.

The CHAIRMAN: Yes. That being the case, I declare the Committee adjourned at the call of the Chair.

The Committee adjourned accordingly.



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