

Supply—Trade and Commerce

duty which has prevailed for some time and is in accordance with the United States tariff structure. There is a basic duty of 1½ cents on slaughter and feeder cattle entering the United States and weighing under 200 pounds or over 700 pounds. Those between 200 and 700 pounds pay 2½ cents a pound duty. Purebred cattle for breeding enter free of duty. Dairy cows pay 1½ cents.

I have the figures here as to what United States imports have been, particularly what exports of cattle from Canada to the United States have amounted to, and perhaps the committee might be interested in them. The figures I have are for the period from April until the end of November because the quotas imposed by the United States work on the basis of a year running from April 1 of one year to April 1 of the following year.

During the first quarter of this quota year, April, May and June, we exported 1,717 cattle. During the next quarter, July, August and September, we exported 52,215 head, and during October and November we exported 87,571 head, or a total of 141,503 head for the period from April 1 to November 30. These, of course, are slaughter and feeder cattle over 700 pounds in weight. In addition, we exported a considerable number of feeder cattle between 200 and 700 pounds, in fact, 82,074 head. We exported 11,480 head of calves under 200 pounds and we exported 27,944 head of dairy and purebred cattle, for a grand total in that period of 263,001 head of cattle.

The collection of one cent a pound extra on beef cattle at present going into the United States does not mean that the people shipping the cattle at the present time will eventually have to pay that. The recent action of the United States customs officers is in accordance with the common practice when a quota is approaching completion. Extra duty is charged, invoices are dated and refunds are made for any cattle which eventually prove to be within the quota.

The information from Washington is to the effect that on November 27 a total of 105,000 cattle had been received from all countries against the quota of 120,000 for the quarter. We believe it is likely that unless a large number of cattle come in from Mexico during the current month of December the number of cattle which will likely go from Canada to the United States will not be above the quota and therefore eventually there will not be any additional duty that exporters will have to pay on the cattle. That, of course, is just our estimate. We do not know whether or not it will prove correct. In any event, it seems quite certain that the number of beef cattle going into the United States this

[Mr. Harkness.]

year on which additional duty will be paid will be very small, if there are any.

In view of the fact that the right hon. member brought up the matter and that there has been this change I thought I had better make this statement in order to clarify the situation and also to reassure exporters of cattle with regard to what the situation is at the present moment.

Mr. Gardiner: May I ask a question before the minister leaves that point? I am apparently under a wrong impression myself with regard to one feature. I was under the impression that it operated on the basis of a calendar year and that while they might put on the duty now it probably would not operate after January 1. I would take it from what the minister has said that the year starts on the first of April—

Mr. Harkness: Yes.

Mr. Gardiner: —and that the duty may be collected from now until then.

Mr. Harkness: The year is calculated from April 1 and there is a total quota of 400,000 head. But that again is broken down into quarters and there is a maximum in any one quarter of 120,000 head. I understand the reason for that is to prevent the whole 400,000 head being thrown on the United States market in one month, say, and disrupting their price structure. Therefore there is this provision that only 120,000 head can go in at the 1½ cent duty in any quarter. The quarter we are now in, to which the 120,000 will apply, will be up at the end of December.

Mr. Gardiner: That is the third quarter.

Mr. Harkness: That is the third quarter, and the fourth quarter will then start, taking in January, February and March. During that quarter cattle can be shipped into the United States up to 120,000 head as long as the total for the year is not over 400,000 head. As the total number of cattle over 700 pounds we have shipped in so far is 141,503 head and as I believe Mexico has shipped only somewhere between 30,000 and 40,000 head, this means that we will still have a quota of 120,000 head for the next three months, January, February and March.

Mr. Gardiner: But they will not be able to go above the 120,000 at a duty of 1½ cents even if it is below the 400,000?

Mr. Harkness: I think that is correct. That is my impression. The maximum we will be able to ship is 120,000 but as the right hon. gentleman is aware it is unlikely that during that period we will be shipping anything like the number of cattle we have shipped