

*Slaughter of Calves*

triggering price is somewhat higher, even this is somewhat doubtful.

What can be done about this cattle crisis? There are no easy or apparent solutions. I say that very sincerely. Essentially, and perhaps I am oversimplifying the situation, we must grow and eat our way out of this current crisis. A number of things should be considered. First, let us take the short term. We must recognize that heavy marketings of cows are now under way and will continue. There is nothing wrong with this. The culling of old and undesirable cows should be continued. During the 12-month period from September, 1974, to September, 1975, our Canadian cow slaughter will be up 34 per cent. I say this is good. It is inevitable.

The second point is that the most urgent market problem is our current calf crop, now coming to market in large numbers. We must appreciate that we have an extra 570,000 calves over last year for which we must find homes. This represents the 7 per cent increase in the current calf crop of some 5.5 million. There is a greatly reduced demand for these calves because of the obviously bad experience of those who bought them a year ago. Essentially, they have to go to two broad areas in Canada: the first is southern Alberta and the fringe areas of Saskatchewan and Manitoba, and the other is Ontario. If they cannot be absorbed in Canada at adequate prices, they will have to go south to the United States at \$2 below their market price which is already \$6 to \$8 below ours. This is the reason the United States trade information hearing that was held last Friday in Washington on Canada's beef trading policy is so important. If it should result in a United States embargo, our market situation could worsen still further. We should consider an incentive policy that ties in with cow slaughter and would encourage the hold-back of heifer calves and lightweight steer calves for future breeding and feeding requirements.

The next point is that in view of increasing evidence of the need for world food banks, surely we should seriously consider a joint program with the packing industry for the freezing and/or canning of surplus cow beef that could be disposed of in offshore markets where there is an urgent demand. Such a program would require federal assistance in financing and storage. Another point is that in view of the present live cattle market spread of 30 cents per pound between top steers and good cows, the time is most opportune to have an all-out merchandising campaign to promote the consumption of good Canadian cow beef, which is generally superior in flavour to younger grades of beef. Most people do not realize this.

● (2100)

We should immediately encourage our Canadian banking institutions to continue to make realistic credit arrangements with feeders. Considerable mutual understanding will be necessary here, but the results could be very beneficial in the form of increased demands for feeders and a strengthened calf market.

Finally, in the short term we should encourage our Minister of Agriculture to get back to the negotiating table with the United States Secretary of Agriculture, Mr. Butz, immediately after next week's United States elections, to

[Mr. Hargrave.]

bring back some common sense to the United States-Canadian cattle negotiations.

There are several things that we must do in the longer term. First, we must recognize that the key to our sagging fed cattle industry is, of course, the price and supply of our domestic feed grains. Until world feed grain supplies become more adequate, our domestic prices will reflect world prices. These will be high and will likely remain so until United States corn and soybean crops are greatly increased, hopefully as a result of their set-aside lands now back in production, but that point is at least two crops away.

Second, governments can help the total cattle industry to adjust to some fundamental structural changes that are both needed and inevitable. We can no longer afford the luxury of feeding high priced grain and protein to calves for some 200 days, or even 120 days. The limit will be about 90 days or less; and that will not be too long in coming. Third, in the long term, our packing industry should be encouraged to move somewhat away from the traditional "kill and ship" philosophy. New "breaking" facilities by our packers or processors will be needed soon, if only to capture our complete HR and I trade, that is, the hotel, restaurant and institutional trade.

Fourth, and perhaps most important of all, our final feed grain policy may very well determine whether our feedlot industry in western Canada will survive. Equitable freight rates are needed here. If the Crow rates are to continue, then they must apply to the products of feed grains as well, that is, moving carcass beef from Alberta to central Canada which now accounts for about two-thirds of our total beef requirements.

Finally, Mr. Speaker, it seems evident that a Canadian beef cattle industry investigation is not only inevitable but perhaps highly desirable. In a full board meeting of the Canadian Cattlemen's Association held yesterday in Calgary, it was announced that that body would be happy to see such an investigation and would co-operate to the fullest. They pointed out that the present market system for Canadian cattle has responded well over the last very trying two years, and has sent back appropriate signals of some very unique situations. With this I certainly agree, and would suggest most emphatically that our Canadian marketing system is not at fault, although there are some who seem to think it is on trial. I say again, and most emphatically, that a national marketing board is not the answer to this crisis.

**Some hon. Members:** Hear, hear!

[Translation]

**Mr. C.-A. Gauthier (Roberval):** Mr. Speaker, a while ago I listened to the Minister of Agriculture (Mr. Whelan) and when he finished speaking, I thought that all our problems were solved because of the vigour with which he pleaded his case. However, I always remember that when the House has to deal with crises involving both levels of government, we always wonder who is really responsible while both governments put the blame on one another.

Mr. Speaker, first of all, I would like to congratulate the hon. member of the New Democratic Party who finally obtained the unanimous consent of the House to discuss the price of beef. We have been proposing such motions in