

they have had subsidies up to 25 per cent of the value of the products. To those who wish to import beef into the European Economic Community, they say, "We will give you a quota to import beef provided you buy an equivalent amount of beef from the intervention stocks." In other words, if you bring beef in from outside you have, by law, to help reduce the supply of beef in the country. That is really quite a policy.

The duties I have talked about are in addition to their other normal duties. They have *ad valorem* duties of 16 per cent on live cattle. Our duty is one-and-a-half cents per pound on live cattle compared with their 16 per cent *ad valorem* duty. On fresh chilled frozen beef their duty is 26 per cent. They have global quotas of some 34,000 tons, which, if my arithmetic is accurate, works out to 75 million pounds for perhaps 250 million people. In other words, their quotas are, in a relative sense, very meagre, very small. Today Canada's quota is 144 million pounds—that is the amount allowed into our country—of boneless beef and beef as meat for this year.

I think we have really bent over backwards in saying we are going to follow GATT to the letter of GATT. Nobody else follows GATT. By following the letter of GATT instead of the practice—and I think the practice is the more important thing—we as a nation have been sacrificing the welfare, income and livelihood of the beef producers of this country. The report of our committee suggests that that situation should come to an end.

One of the questions we face as soon as we make this kind of recommendation is: What about the Americans? What about the American market? We need the American market for live slaughter cattle at times. We need the American market for feeder cattle at times, at some times to a greater extent than at others. We need it for western feeders. The proposal put forward by the committee in no way, in our judgment, would make it more difficult for Canada to export into the United States market.

Obviously, we do not initially affect our own exports. We are saying to the United States, "We are prepared to give you an historical access to the Canadian market based on what you have been sending into our market over the years. In return, we would like you to provide us with the same kind of general historical access to your market." But let us not have 125,000 head of Canadian cattle going to the United States in 1973, for example, and 10,000 head going there in 1974. It does not make any sense. Let Canada not contribute to the troubles of the American nation by being a kind of intermediary, taking tens of millions of pounds of cheap beef—at 27 cents a pound under the United States price—from Australia and New Zealand and being a halfway house for sending it down to the United States to help destroy their market while we are destroying our own market. It is far better in our judgment to have reasonable quotas with regard to the United States based on our historical position, just as we would accept reasonable quotas from them based on our historical position. We say, "Put them in the law, make them flexible with consultation and make them changeable with consultation, but let us know where we stand."

• (1440)

This is something we are not able to quickly settle necessarily to the satisfaction of every farm organization in Canada. Some may think we have gone too far; others, those who think we require rigid supply management, will think we have not gone far enough. However, I was amazed and impressed to read a submission by the National Cattlemen's Association of the United States, by the chairman of their foreign trade committee, Mr. Peter E. Marble, to the United States International Trade Commission, a body of the American government. I have two or three brief quotes to which I would like to refer. I am quoting Mr. Marble, who is making reference to a new meat import act as it was proposed by the National Cattlemen's Association:

The act should be amended to include all beef and veal, regardless of form or origin.

In other words, live beef and live veal, no matter where it comes from.

Canadians used to think that we had a particular privilege with respect to the United States, that when they established quotas they did not affect Canada. That privileged position, or special category, has gone by the board. The United States now treats us the same as every other importer into that country, and imposes quotas against Canadian meat.

Mr. Marble continues:

If the objectives of the import law are logical—and we think that they are—then it is only logical for the law's coverage to include all forms of beef and veal. The quota—

He is talking about a quota in the proposed new beef import law for the United States:

The quota should be adjusted automatically on a counter-cyclical basis so that imports are permitted to increase when domestic supplies are limited—

The fewer domestic supplies, the more imports.

—and prices are high and are required to decrease when domestic production is cyclically excessive and market prices are depressed.

That is in line with our recommendation.

We would recommend that a representative historical average of shipments be established and that imports of live dutiable cattle not exceed an agreed per cent of that figure without consultations.

Then he goes on—and I believe we could say Amen to this—to say:

Our beef industry should have fair access to beef markets in other countries, just as this nation provides cattlemen of other nations with access to our markets.

Taking that stand of the National Cattlemen's Association in the United States, and knowing the position of the European Economic Community and of Japan, I suggest to you that by adopting the kind of policy we are proposing in this report Canada would stand in a firmer and stronger position in negotiating with the United States for access to their market,