would be about $120,000 per year; he would not have to do a thing. Right now he is a very productive person, investing various amounts of money in the production of corn on his farm in order to feed the cattle, yet he does not receive enough money to make a living. This is very wrong.

This bill does not protect trade in live cattle. Last year we sold $300 million worth of cattle in the United States. In turn, the Americans shipped to us over $90 million worth. Shipping $300 million worth of cattle into a population of over 240 million, and then shipping $90 million into a population of 24 million, will have slightly different economic effects per capita on the total industry.

I can just imagine what would happen in the United States of America if we took over 10, 12 or, in some instances, 20 per cent of its slaughter market for weeks at a time. Can one imagine what form of revolt would take place in that country? We only have to remember how excited the Americans become when we take over 1 per cent of their market; they almost call it a marketing catastrophe. Yet our country is supposed to accept their exports without any concern.

As I said, Canada is both an importer and exporter of beef. I am referring to beef not on the hoof. For instance, in 1980 we imported approximately 115 million pounds of fresh, frozen and chilled beef and veal and exported approximately 100 million pounds. The United States market has been and will continue to be our best export market for beef and cattle.

● (1420)

I pointed out some of the disadvantages of what we call that best market and how disruptive it is, since the only time those live cattle come into our country is when our market is better. The only time our cattle go to their country is when their market is better. You can see the tremendous changes which take place when the market is that way, with some 100,000 head of cattle shipped into Canada and maybe some 7,000 to 9,000 shipped into the U.S. because of the price differential.

Our ad hoc, year-by-year policy of restricting imports up to now has led to uncertainties—uncertainties for the Canadian meat industry and for our trading partners. It is time we put permanent import controls in place. Again I must put on the record, Mr. Speaker, that these important goals are not for live cattle. I believe some time in 1974 I persuaded the government to place controls on live cattle. The United States retaliated. We allowed 100 per cent of their five-year average of imports into our country. They did not fill one third of the quota given to them yet they retaliated and placed controls on our beef, pork and veal going into their country. We had to lift those quotas after one year. So they can be very powerful. The United States is a very restrictive trading nation in many ways. We have been a much freer trading nation in foodstuffs, generally speaking, than has the United States.

What this legislation does is to set annual quotas on imports of fresh, chilled and frozen beef and veal. These quotas are based on the historical level of imports in the 1971-75 period, but adjusted each year to take into account changes in the amount of beef consumed in Canada and the number of cows and heifers being marketed. Factors such as the supply and price of other meats, and changes in any restrictions affecting our cattle or beef trade with other countries, will also be considered in determining whether import quotas should be increased, decreased or suspended.

What that means, Mr. Speaker, is that if we have tremendous amounts of poultry or turkey meat in storage, that will have an effect on what the quota will be. This is slightly different from some of the meat import acts which other nations have. We think it is to our advantage because, for instance, when we see overproduction of pork in Canada selling below cost of production, it has a depressing effect on other meat suppliers, such as poultry and beef suppliers in Canada. At the present time pork producers are selling their product at $20 to $30 below cost of production.

Consumers today, in some instances, are paying the lowest prices they have ever paid for meat, especially pork products, when you consider their earning power. It would be as if it were given to the consumers free in the depression period, the prices are that low. So when people complain about high prices, it must not be forgotten that last year we put approximately $46 million into hog support prices.

The estimates for the year 1980, because so much was produced below the cost of production, had a depressing effect on other meat production entities. Our very rough estimate now is that we will have to use about $140 million for stabilization, so they can remain in business. What we are doing is exporting the surplus product on world markets at the same price as it fetches on domestic markets. Any other country would be foolish to enter into a pork production entity when Canadians are so stupid that they are producing the product below the cost of production, thus supplementing the treasuries of such countries as Japan and the U.S.S.R. We are so efficient that we produce some of the highest quality meat products in the world, yet we have not learned how to market that product in a proper fashion. For example, if the U.S. decides to suspend meat import restrictions in a particular year, there would normally be no reason for Canada to apply import restrictions. But that would be left to our discretion.

An advisory committee made up of representatives of the beef industry and consumers would be set up under this legislation. When considering annual import levels the Minister of Agriculture would seek the advice of this committee.

Bill C-46 is broadly parallel to the U.S. meat import law which was revised by the U.S. government in 1979. Under the old U.S. law, when production declined so did import quotas. When production was on the upswing, import quotas were increased proportionately. This reinforced the swings in the international cattle cycle. With the new U.S. formula, import levels are generally increased when domestic supplies are falling, but restricted when U.S. supplies are adequate. The counter-cyclical formula in Bill C-46 works in the same way. This legislation will provide increased stability for the beef industry.

Some members examined this bill after it was given first reading some months ago. We call this our bill because it was