

Meat Import Act

He said: Mr. Speaker, I am pleased today to speak to Bill C-46. I will take just a few minutes on this occasion to give hon. members the background of this legislation and why it is vital to the 69,000 cattle producers in Canada. At present, Canada is the only major beef importing country in the world that does not have an ongoing beef import policy. Without such an import policy, this nation is vulnerable to market fluctuations and international price swings which are beyond our control.

As hon. members know, Canadian cattle production generally follows an eight to ten-year cyclical pattern. When beef prices are as low as they were in 1976, cattlemen start to lose money. First, the feedlot operator, then the cow-calf producers are squeezed, breeding herds are reduced, and distortion takes place in the whole beef industry. For a while this leads to more beef on the market because the producers are selling off their breeding herds, and consumers enjoy for a short time bargain prices. Generally it is for a short time; sometimes it becomes quite a lengthy time.

● (1410)

However, over the following few years there are fewer calves and feeder cattle to be sold and slaughter cattle prices rise. Before long, consumers find themselves paying a lot more for a pound of steak and cattlemen start to make a profit again. It takes a full three years between the decision to expand the breeding herd and when beef supplies are increased at the retail level.

Some people leave the impression that a farmer or rancher can produce this biological entity called the beef animal almost overnight; that the amount of beef which will be consumed can be placed on the market at the whim and fancy of anyone in the entire industry—the packing and retail industries—as well as the consumer. It is not that easy; it takes three years to increase production.

In recent years an international cattle cycle has developed. Production in most beef exporting countries now follow very similar patterns. When our beef production is up, so is the production in the United States of America, Australia, New Zealand and generally Argentina. When beef is in short supply in North America, usually the production cycle is turning down in New Zealand, Australia and other beef exporting countries. As this international beef cycle has developed, the fluctuations in world beef supplies and prices have become wider. Most major beef importing countries have acted to protect their cattle producers from the worst effects of these fluctuations.

For example, beef and veal imports into the United States have been regulated under its meat import law since 1964. Beef exporters face restrictions when selling to the United States, but the Canadian market is open. Obviously this can lead to our market being loaded with cheap beef. Furthermore, this situation upsets our normal trade pattern in beef and cattle with our United States neighbours.

We saw this happen in 1976. Imported beef was taking the place of Canadian beef on our retail markets and in our

restaurants. At the same time, our cattlemen were exporting more live cattle to the United States. Why? Because they could not ship beef cuts and carcasses, since access to our beef was limited by United States meat import law. So they shipped live cattle, and soon U.S. producer groups were calling for controls on live cattle trade as well as beef.

We well remember the road blockades which were placed at certain border crossing points where trucks were hauling live cattle. The Americans were concerned about the importation of live cattle from Canada hurting their markets. When it was pointed out to them that the sale of live Canadian cattle into their markets, even at the highest point, would not affect 1 per cent of their market, I remember that one of the leaders of the opposition to Canadian cattle going into the United States said, "If a person is standing in a pool of water and is just barely able to breathe, that extra little water in the pool will mean that he or she drowns".

If we shipped every head of cattle we have in Canada to American markets, we would only take over about 10 per cent of their total domestic kill for a few short days. Then we would not have any more cattle in Canada and they would not have to worry.

In the last month, the Americans have substantially increased their sales of live cattle into Canada because the prices are a bit better here and they have a surplus of huge, fat cattle. Our packing firms are buying those cattle, bringing them into Canada and depressing the prices to Canadian beef producers. In many instances they are producing below the cost of production at the present time. Many people are hit by high interest rates because they borrow huge amounts of capital to buy feeder cattle and to keep them on their farms all winter to supply the market in the spring and early summer months.

I talked to one young farmer the other day. I call him young because he is three or four years younger than I, so he is still a very productive person! He owns a farm in Ontario which consists of 450 acres. Nearly 400 acres of it are tile-drained; the buildings are very modern. He and his wife fed 450 cattle over last winter. His wife works as a registered nurse. Mr. Speaker knows how hard registered nurses work. His wife has worked in order to supplement their income, but over the last three years they lost money. With her wages, etc., they worked for nothing to supply some of the highest quality beef to the Toronto market. He told me, "I am selling my farm. If you can find me some foreign buyer for my farm"—and I am sure there will be some because they look upon land in Canada as much cheaper than land in Europe—"I could sell my farm, and most investment companies, trust companies or banks would give me more income, and I would do nothing for the interest I receive". He referred to the effort that they had put into the farm over their lifetime. It is a family farm; it was owned by his father before him. He said, "I will not mortgage it; I will sell it."

He did not say what he would receive for it, but I know that his farm should probably sell on today's market for close to \$1 million. He could invest that money and a reasonable return