

● (1630)

This afternoon in Suffield and Medicine Hat the minister's special assistant, Mr. Jim MacNicol, is hearing the views of all concerned about this decision to close down the research establishment at Suffield. In conversation with him before leaving for the west I asked him whether he was going to explain the government's decision. He quickly responded that he was making this special trip to listen to all who wished to meet with him, and I am sure that Mr. MacNicol will hear a very strong and united voice today asking that this Suffield decision be immediately reconsidered.

It seems to me that this decision is decentralization in reverse. By that, I mean it is moving from a 30,000 population city, Medicine Hat, to a 550,000 population city, Winnipeg, which actually is Canada's third largest city. This is reversing the east to west, and indeed the south to north, moves that most of us feel are so necessary to properly develop western Canada. Many of the letters I have received told me of serious personal involvements which will result, such as moving east when retirement plans have already been started in southeastern Alberta. The minister's reply to my question on February 28 suggested that I was aware that "the research establishment at Suffield has been phasing out for several years". Of course, I and the entire Medicine Hat community were totally unaware of this defence department of Defence Research Board decision until that day, February 22, which was less than two weeks ago. In retrospect, it probably would have been much better had we all been informed several years ago.

In summary, then, concerning this Suffield decision I most earnestly and seriously ask the Department of National Defence, and especially the minister of the department, to consider carefully the implications of this decision on the Medicine Hat-Redcliff community which I have the honour and privilege of representing. If improvements and additions are necessary in defence research establishments in Canada, why not at Suffield? I ask the minister seriously to consider this question.

I want to make a few comments about the cattle situation, but before doing so one of the letters I received on the Suffield issue suggested that perhaps I was more interested in cattle than in people. By coincidence, over the last two weeks I have also received almost as many communications on the fat cattle market crisis in which this industry is presently involved. These letters have come from a very wide cross-section in both western and eastern Canada. Because it is a national issue and because I have been spokesman for the Canadian Cattlemen's Association, I should like to comment on the current cattle situation.

For the second time within the last six months a fed cattle market crisis has occurred in Canada due primarily to the direct and indirect involvement of last year's freeze on beef prices in the United States. Live fat cattle prices in Canada have dropped eight to 10 cents a pound over the last three weeks, to a current level of about 42 cents in the west and around 44 cents in Ontario. Feedlot costs of gain in the west are 55 cents to 60 cents a pound, and probably a little lower in the east. Actual cash losses per head on most fat cattle sold over the last three months range from \$100

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to \$150 per head. This is continuing and the situation is getting worse. In retrospect, the only way these losses could have been eliminated would have been to stay completely out of the cattle feeding side of our industry. Live fat cattle imports from the United States since January 1 have increased from 2,154 in 1973 to 29,114 in 1974, a 14-fold increase. There has also been a 50 per cent increase in the tonnage of offshore imports of carcass beef, exclusive of United States imports. This, of course, is the main reason for the dramatic drop in fat cattle prices today.

Our Canadian domestic marketing of fed cattle—by that, I mean grade A and grade B—are down 32,000 head, which is 10 per cent, for 1974 over the same period a year ago, that is, from January 1. However, we are not short of fat cattle in Canada. It is now apparent that there is a holdback from market of fat cattle both in western Canada and in Ontario. We should keep in mind that the largest calf crop in our history is about to be born both in Canada and in the United States.

Over the last three weeks between 7,000 and 8,000 fat cattle have been imported weekly, nearly all coming into Ontario. This is about two-thirds of eastern Canada's fed cattle weekly kill numbers. The week that is just ending tomorrow will likely see the largest number of imports for the year. A direct result of this is the extreme difficulty of getting bids on feedlot cattle, especially in western Canada. The packers are backing up because there is no outlet for their carcass beef in the east. Another result has been the extremely light deliveries in both east and west since practically no cattle are being offered. For example, today on the Toronto market there were only 600 cattle in total offered for sale.

On February 25, the Canadian Cattlemen's Association presented both a short-term and a longer-term recommendation to the Minister of Agriculture (Mr. Whelan), the Minister of Finance (Mr. Turner) and the Minister of Industry, Trade and Commerce (Mr. Gillespie). The long-term approach has been suggested by long standing United States import quotas of 400,000 head per year, with appropriate quarterly quotas. In addition, the United States charges a 10 per cent ad valorem tariff on certain imported cuts of beef. Canada has no quotas on live cattle or dressed meat imports from any country. In addition, we have no equivalent to the United States ad valorem tariff.

The cattlemen have recommended that Canada should insist on a reciprocal, proportional quota system involving United States exports to Canada that would allow 40,000 head per year, or 12,000 per quarter. These figures are in the approximate ratio of the cattle populations of the two countries, which is ten to one. Because of the time lag to negotiate and to institute this quota provision, the cattlemen have also insisted on provision for a short-term, temporary tariff that would automatically increase with increased import levels. On Tuesday evening last, March 5, a seven-man delegation presented this proposal to our Minister of Agriculture in somewhat more detail than I have outlined here. After their presentation the delegation indicated considerable disappointment and frustration in that the minister did not seem to indicate any immediate and positive action.