

hoped to be able to hold a press conference in Calgary but was unable to do so.

The report was also made possible by the generous support given the Agriculture Committee by the Senate itself, by the members of the Internal Economy Committee and, in particular, by Senator Perrault, the government leader in the Senate who encouraged and supported us in proceeding with this inquiry.

I should also like to add that this is a non-partisan report which has the support of all the members of the committee. In that connection, I acknowledge the work done by Senator Yuzyk both in the committee itself and on the steering committee during the time the report was being prepared. I know it is somewhat dangerous to name specifically certain people because it is always possible to overlook others who made an equal contribution. However, the acknowledgements are in the report itself, which mentions the senators who travelled west, namely, Senator Michaud, Senator Norrie, Senator Belisle, Senator Hays, Senator Sparrow, Senator Molgat and myself. I shall also mention Senator A. H. McDonald who assisted in drafting the report.

This is the third report to be presented by the Standing Senate Committee on Agriculture. The first report had to do with Kent County, and I suggest that the beneficial effects of that report are still being felt, and will continue to be felt and to bear fruit in the days ahead. The second report had to do with crop insurance, the main result of which was to give producers in the three prairie provinces access to an improved and more uniform type of crop insurance.

I hope that this report, as we discuss it in the chamber and with the Government of Canada, provincial governments and the producers' organizations, will result in the same kind of acceptance and the same kind of implementation.

This study was undertaken not in any frivolous way, but because there was a very serious problem which had developed in the Canadian beef industry over recent years. Up until perhaps 1973 the trend had been for beef prices to go up. Cattle production in Canada had been going up, and then, in 1973, a freeze was imposed by the Government of the United States on beef prices in that country and the American cattle producers reacted by not sending their cattle to market. As a result, there was a very large market in the United States for Canadian cattle, and our cattle went into that market. When the controls came off in the United States, the trend was reversed, and there developed an unstable market with, in one instance, the cattle going south and, in the other instance, the cattle coming north. Beginning at that time, and aggravated by the whole DES controversy with regard to hormone feeding of cattle for extra gains in weight, difficulties came about in the beef industry by way of prices. There have been intermittent periods when quotas have been imposed and then removed; when the Canadian government has removed all tariffs against United States cattle and then restored them; and when the Canadian government has doubled those tariffs and then reduced them.

[Senator Argue]

The beef business became so disorganized that the federal government had to bring in legislation to provide a certain measure of stability, but that was not done in a particularly certain and clear fashion because the support prices that were provided could vary between 90 per cent and 100 per cent of the prices obtained in the previous five years. There was uncertainty as to the amount of the support price and the level of the support price. There was uncertainty as to the number of cattle that would qualify for the support price. Some said there should be a limit; some said there should be no limit whatsoever. So, while these measures have been made effective, there has at times been a limit on the number of cattle that a given owner could qualify under this program.

It has been a hodge-podge. It has been a mixed-up situation, and during the whole period of time cattle prices fell to an exceedingly low figure. Now, while there has been a modest or moderate improvement in cattle prices recently in this country, probably in substantial measure because of the current discount on the Canadian dollar, the industry remains in a depressed and uncertain condition.

Almost without exception, the spokesmen for the industry who appeared before the committee agreed that there should be on the statute books of this country an import law that would outline the imports to be allowed into this country in a normal situation, that would tell the producers what they could look forward to by way of retaining a reasonable share of the Canadian market, and that would make it impossible in future for a situation such as that which developed in 1976 to develop again in this country. Last year huge quantities of beef from New Zealand and Australia came in and severely depressed our own market. At times it was selling at 27½ cents per pound under the price of the same product coming from the same countries and placed on the United States market. That raised hell with our markets. The producers understood what had happened. They came before the committee and repeated the representations they had made to the government when they asked for a beef import law.

The terms of reference of the Agriculture Committee are broad. We have to go beyond this interim report which deals with imports and an import law, and deal with the whole question of stabilization, and look, perhaps, at the grading system, at the marketing system and at the information system. But this report, while it is only an interim report, is nevertheless a major report and it does cover the beef industry in depth.

One of the questions asked most frequently—I believe Senator Hays asked it of every single witness who came before our committee—was: Do you think we should have a beef industry in Canada? The second most frequent question was: Do you think we can compete?

Well, our beef industry is obviously important to the beef producers, but we think it is important to the nation as a whole. The income from beef, in terms of agricultural products, is second only to the income received by the grain producers.