

Oral Questions

[Translation]

AGRICULTURE**INQUIRY WHETHER GOVERNMENT WILL ALLOW IMPORTATION OF U.S. BEEF IN 1979**

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

Considering that the price of beef has shown an upward tendency for the past year and that in certain cases the increase has been over 100 per cent over the price of last year, considering also the requests made by many grocery chains to increase quotas in 1979, can the minister tell the House whether he intends to follow the suggestions of those undertakings and allow beef imports from the United States in 1979?

[English]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, much has been said about this. I think that the record should be put straight. The amount of meat in storage in Canada at the present time is only slightly less than it was last year. Last year there were about 83.3 million pounds of meat in storage. At the present time there are about 83.1 million pounds of meat in storage. Many live cattle which are being exported to the United States could be brought here by local buyers, rather than exported to the United States, if local buyers wanted to compete for that market. There have been extreme suggestions that the price of hamburger might rise to \$2 a pound. There should be no reason for that.

● (1422)

So far as imports of meats from any country are concerned, the United States are not filling our quota of meat coming into Canada. Australia and New Zealand are filling their quotas. The permits are issued under the jurisdiction of the Minister of Industry, Trade and Commerce, I do not issue them, but we have a system of consultation before any permits are issued. So I do not think that at this time there is any intention of increasing that quota.

[Translation]

INQUIRY WHETHER GOVERNMENT INTENDS TO TAKE MEASURES TO INCREASE PRODUCTION OF BEEF IN CANADA

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to put a supplementary question.

The minister is no doubt aware that beef consumption has declined by 40 per cent last year and this factor has naturally encouraged higher consumption of pork and poultry. I would therefore like to ask him whether he intends to introduce legislation to raise beef production in Canada so that we will not have to increase our import quotas to stabilize the price of beef?

[English]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, there is no control whatsoever on the production of beef in

[Mr. Trudeau.]

Canada; it is up to the producers to make that decision. They can either increase it, if they so desire, or they can decide to go out of the business of producing beef.

I think the hon. member should remember the past 3½ years when beef producers saw the price of beef go down to below the cost of production and there was not that much sympathy expressed for them or on their behalf, or any suggestion put forward that we increase imports to Canada so that they may reduce the price. History shows that this may not reduce the price to consumers but may show that the people handling that type of beef are increasing their profits, not necessarily that consumers will get any benefit from it.

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FINANCE**PROJECTION OF GOVERNMENT EXPENDITURES**

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, perhaps I could put my question to the Prime Minister. A review of the statement of the financial operations of the government by the Receiver General of Canada for the six months ended September 30 of this year indicates that expenditures at the governmental level are up by a startling 15 per cent compared to last year.

Would the Prime Minister indicate if he anticipates that expenditure rate of increase, namely, 15 per cent, will be maintained for the whole year and, if so, how does he reconcile that with the April prediction that expenditures would rise by only 9 per cent?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the hon. member has heard the Minister of Finance say many times before—and the hon. member should realize it himself—that you cannot conclude from a four or six-month period what will be the figure for the whole year, because of the cyclical character of the economy over the year. There are seasonal and statutory factors which tend to bunch together certain types of expenditures and certain types of receipts. It is patently misleading to try to extrapolate figures for the whole year from one quarter.

Mr. Stevens: Mr. Speaker, my question is again directed to the prime Minister, who I hope realized that in my question I related six months of this year to the same six months of last year. Let me put this further question to him. As a result of the near-static increases in revenue which are up by about 2 per cent only, whereas expenditures have been going up by 15 per cent, we find that the six months' deficit is \$7 billion, 58 per cent higher than in the same six-month period last year. Would the Prime Minister indicate if he thinks that the deficit prediction of \$10.9 billion for the entire year will, in fact, be realized?

Mr. Trudeau: Mr. Speaker, the premise on which the hon. member admits he based his question seems to indicate that his conclusions are indeed unfounded. He is telling me that he