

*Wheat Sales*

18 years, and it is no wonder they did not want to get more heavily involved in this area. It was not until the fall of 1971 when calf prices took a firm upturn that farmers started to increase their breeding herds which would produce more beef three to five years hence.

● (2140)

The second reason is the global supply-demand situation in respect of all red meats, particularly beef. As Dr. Gordon MacEachern of the Canadian Agriculture Economic Research Council so aptly put it, the world is on a meat buying spree; there is a very definite world shortfall of beef. In many countries of the world, including a good many emerging countries with higher standards of living the people are eating meat and beef for the first time, and they like it.

There is now a reasonably clear indication of more generous supplies of feeding cattle for next year in Canada, as shown by the rapid increase in our breeding herds. Our Canadian cattle industry is tied very closely with the United States cattle industry. We share the same total North American economy in this respect. While there are higher world markets for beef, the North American market, transportation costs considered, is essentially our only market. Historically, Canada has generally enjoyed a favourable trade balance with the United States. For example, Canada has exported more beef, both live cattle and dressed products, than she has imported.

During the first quarter of 1973 this situation changed dramatically. Our import-export position for live and slaughtered cattle was about in balance between Canada and the United States, with about 4,300 cattle moving each way. However, there was a significant increase in feeder cattle exported during the first quarter of this year to the United States, of some 36,000 compared to less than 1,000 a year ago.

I have given some further details of the import-export situation to show the implication of a change in trade balance for our industry. We have a situation whereby feeder cattle, mostly from western Canada, are being exported in increasing numbers while carcass beef and beef cuts are being imported in greater quantities into eastern Canada. This, of course, is not a healthy situation for our Canadian packing industry or our growing feeding industry.

I personally do not object to United States buyers buying our feeder cattle. They are outbidding our buyers on a free market and that is the way it should be. Why can United States buyers pay more for feeder cattle on our markets? The competition between United States and Canadian cattlemen producing for the same North American market is somewhat more favourable to United States producers for the following reasons: the United States fat steer market may rise as much as \$4 above ours, but never drop any lower, transportation costs considered, due to the recent one-way tariff change. Starting in 1972, our basic herd provision was removed under the new tax laws.

**Mr. Deputy Speaker:** Order, please. I regret to interrupt the hon. member, but it being 9.45 p.m. it is my duty pursuant to section 9 of Standing Order 58, to interrupt

[Mr. Hargrave.]

these proceedings and put forth every question necessary to dispose of the motion now before the House.

All those in favour of the motion will please say yea.

**Some hon. Members:** Yea.

**Mr. Deputy Speaker:** All those opposed will please say nay.

**Some hon. Members:** Nay.

**Mr. Deputy Speaker:** In my opinion the nays have it. *And more than five members having risen:*

**Mr. Deputy Speaker:** Call in the members.

The House divided on the motion (Mr. Horner, Crowfoot) which was negatived on the following division:

*(Division No. 33)*

## YEAS

Messrs:

Alexander	Hamilton	McGrath
Alkenbrack	(Swift Current-	McKenzie
Arrol	Maple Creek)	McKinley
Baker	Hargrave	McKinnon
Baldwin	Hees	Mitges
Balfour	Higson	Morgan
Bawden	Hollands	Muir
Beattie	Holmes	Munro
(Hamilton	Horner	(Esquimalt-
Mountain)	(Crowfoot)	Saanich)
Beaudoin	Horner	Murta
Bell	(Battleford-	Neil
Blenkarn	Kindersley)	(Moose Jaw)
Clark	Howie	Nowlan
(Rocky Mountain)	Hueglin	Oberle
Clarke	Hurlburt	O'Sullivan
(Vancouver	Jarvis	Patterson
Quadra)	Jelinek	Reilly
Coates	Kempling	Reynolds
Cossitt	Knowles	Roche
Crouse	(Norfolk-	Rynard
Danforth	Haldimand)	Schellenberger
Darling	Korchinski	Scott
Dick	Kuntz	Stackhouse
Diefenbaker	Lambert	Stanfield
Dinsdale	(Bellechasse)	Stevens
Dionne	Lambert	Stewart
Ellis	(Edmonton West)	(Marquette)
Epp	Laprise	Taylor
Fairweather	Lawrence	Thomas
Forrestall	MacDonald (Miss)	(Moncton)
Frank	(Kingston and	Towers
Fraser	the Islands)	Whittaker
Gillies	MacKay	Wise
Graffey	MacLean	Wooliams
Hales	Macquarrie	Yewchuk—93.
Haliburton	Madill	
Hamilton	Masniuk	
(Qu'Appelle-	Matte	
Moose Mountain)	Mazankowski	