

Meat Import Act

If we want to use actual figures from previous years and plug numbers into the formula, by accepting a 10 per cent increase over the previous year or a 10 per cent decrease, depending on whether you want to make those kinds of discretionary moves, the import level could come down to 158 million pounds or go as high as 172 million pounds, which is a much larger move than that which is made by using ministerial discretion. Therefore, the possibilities of ministerial discretion are still there and they are still very great.

We have made a move toward the U.S. system. I am not sure we should do much more than that. Simply tying ourselves to the U.S. situation will not do that much for the beef producers in this country. If we want to co-operate with the United States for other reasons, perhaps it is something we can consider. However, it should be raised in bilateral talks under GATT when we begin to talk about live beef travelling back and forth. That is something we should remind the Americans about when we get into that kind of discussion.

The kind of interference which occurred in the market this winter with the sudden importation of a lot of live beef did not bring about the price increases that a great many feedlot operators anticipated. In fact, it did not result in the price increases that experts from the Department of Agriculture forecast at the Outlook Conference. Finished beef prices from the west have dropped to between 70 to 72 cents, occasionally moving higher. That is roughly the kind of price we are looking at.

For the producer who raises his calf and finishes it on his farm, with production costs in this drought year he receives about 20 to 25 per cent less than his cost of production. No wonder producers are having trouble meeting their payments. No wonder they are seriously considering selling the family farm and living off the investment, rather than struggling to stay in the beef business and subsidizing producers across this country for the privilege of producing beef.

There have been increases in pork production as well. Today we are considering a bill that will affect beef producers. If it creates anything, it will result in cow-calf producers deciding whether to continue holding the herd, cut it back or get right out of the business. This will send signals to the fellow producing the primary product, the calf. I do not think the signals will make him very optimistic.

Cow-calf producers have gone through a particularly tough year. Production costs were not met with calf prices achieved last fall. Those producers who attempted to hold the calves over the winter watched their inventory use up an awful lot of feed. It cost the producer a lot of money. The inventory at the end of the winter's feeding is worth very little more than it was last fall when he put them into the feedlot. They are looking for more than just a minor adjustment to the import laws. They want more than just following an example set by the United States, an example which does not provide a lot of protection for the U.S. cattlemen. The government should offer more. They should begin to renegotiate live cattle trade between our two countries.

● (1500)

We are a much smaller country than the United States; therefore, equal dollar value trade is very inequitable to us. It is always inequitable when your trading partner is ten times as large as you are, and we think the United States should recognize that fact when we are bargaining back and forth in respect of the live cattle trade.

In review, we see the bill providing very little stability to the industry, with almost as much ministerial discretion as existed before. As I have said a number of times, there is no mention of control of the movement of live cattle back and forth. This bill in no way guarantees cost recovery for our producers or any order in the market. It does not assure any particular stability for consumers and, even worse, there is no stability for producers.

In short, we have to conclude that the bill will be of little real value to producers out on the land. It is of little value unless there is some political value in it for the government; it may be looking for another smokescreen or symbol which create the impression it is doing something, but achieves very little.

[*Translation*]

Mr. Marcel Ostiguy (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I would like to contribute a few remarks on Bill C-46, the purpose of which is to control the importation into Canada of fresh, refrigerated and frozen meat, and to amend the Export and Import Permits Act. But first, in reply to our hon. friend opposite who has just stated that this bill will not have any impact on our farmers, I should like him to know that in its last newsletter of March 3, the Canadian Federation of Agriculture has indicated that this bill is of paramount importance for Canadian producers and that without this legislation to control the importation of meat, producers would have serious difficulties trying to increase their production. Besides, not only will this bill protect Canadian producers, but it will protect Canadian consumers as well.

In Canada, the cattle industry ranks in the forefront of our economy in the agricultural and manufacturing areas. During the period extending from 1975 to 1978, cattle and calf marketing accounted for approximately 22 per cent of all our national sales of farm products. Slaughtering and meat packing with sales totalling some \$6 billion in 1976, ranked fourth among Canadian industries. Since 1969, Canada is no longer a net exporter of beef because of increased imports which create a major problem for producers. This problem has further increased since imported products, especially from Australia and New Zealand, have improved in quality and have cornered a larger share of our domestic market.

For lack of a consistent marketing policy and control over beef imports, Canadian producers have been exposed to the vagaries of a depressed market and have witnessed a reduction of their share of our domestic market. If the stability of the beef industries of both Canada and our trading partners is