

Agriculture

average was from 5,000 to 7,000 head per week. I am speaking of live fat cattle coming in from the United States. That killed our fed cattle market at that time. Not only did it depress the market in Ontario but it had an impact on every market in Canada.

The minister's meat import legislation, or Bill C-46, is still in committee and the last witness will be heard tomorrow. The real usefulness of this proposed legislation has been significantly limited, however, by the last Tokyo Round of the GATT negotiations. Our Canadian negotiators were clearly outmanoeuvred when they agreed to a guaranteed minimum access level of imports which was arrived at by using Canadian cattle population figures at their all-time high level, that is, at the top of our cattle cycle. In addition, we agreed to a human population growth factor that no other GATT trading partner was asked to accept, certainly not the United States.

Canadian cattle producers are very concerned about the implications of the GATT limitations because they destroy any real indication of a long-term incentive to increase our beef cattle breeding herd numbers. We have been sitting at the bottom of the cycle for four years, and given the implications of low markets and high interest rates, I would say we will sit there for another two years. This is causing some producers to think of getting out of the cattle industry altogether.

I am not impressed with the recent Senate report on alternatives for a Canadian beef cattle marketing system. At best, it is a hurry-up assessment by a confirmed supply management author, Max Roytenberg, that completely ignores the real challenge to governments and to our cattle industry. This challenge must surely be to find a way to allow our present free market to function without the risk of loss of access to the American cattle and beef market. That is the challenge that should have been addressed, not that of selling supply management to the Canadian beef cattle industry.

I have tried to give the House a factual and sincere appraisal of our beef cattle industry today. I do not exaggerate when I say that some producers and feeders have already given up and others are in a critical and urgent position, bordering on desperation. The minister is well aware of this situation—I know he is—so I say to him now that out of this cattle crisis, and it is a crisis, surely some good could emerge. Agriculture Canada and the minister himself could regain some of the high profile, prestige and indeed leadership that has been noticeably absent over the last several years.

I should like to lay a short term, emergency program before the House and the minister, Mr. Speaker. The minister already has the necessary federal legislation to act now under the Agricultural Stabilization Act. I urge him to begin immediately the necessary planning for a national cattle and beef harmonized stabilization program under the federal act with the following component parts.

First, it should involve three groups, the federal and provincial governments of the cattle-producing provinces and the cattle producers. It should be a three-way partnership approach. Second, there should be specific cost-sharing by the three groups. Ways must be found to allow cattle producers to

contribute their share, somewhat like the grain stabilization program, using numbers of cattle instead of acres and/or bushels. I am sure the minister knows what I mean.

Third and most important, the immediate objective should be a 1981 stabilization payout based on 95 per cent of the previous five-year average market price, with a cost of production increment calculated by quarterly averages. In his remarks this afternoon, the minister indicated that a 95 per cent payout would not be worth while. I am sure he knows that if it were calculated on a quarterly basis it would be a little better. If we have to move to 100 per cent, as the minister mentioned, that can be arrived at as well when we get the three component groups working together. Something must be done. The actual cost of this first payout should be shared equally between the federal and provincial governments. I feel certain that the needs of the cattle industry are such that the cattle provinces would move on this. I refer to Alberta, Saskatchewan, Manitoba and Ontario and, we hope, British Columbia, which has its own top-loaded program which may or may not allow it to move. If there is to be cost-sharing Saskatchewan would be glad to join.

I would quickly add that for political reasons the provinces cannot wait. Only two months are left to the end of this year and I am sure some provinces will be forced to plan a provincial subsidy to cover 1981.

It seems obvious that there is a need now to halt any further balkanization of our cattle industry. We have heard that term frequently and I think it is a good one. Balkanization is what has been happening. This program should have been started a year ago when there were signs that a national stabilization program was necessary. Let us not fail this time. This proposal is the best way to accomplish that objective.

Finally, and briefly, I would like to remind the minister of two other long-term policy proposals. The other one that I have been dwelling on rather pointedly is for the short-term, emergency situation, but two long-term policy proposals have been advanced by cattle producers and I am sure the minister is aware of them.

The first one is the income averaging trust suggestion which has been well documented by the Canadian Cattlemen's Association. This would be an individual stabilization plan to allow tax-free income from the good years to be used in the lean years when they would be taxed. This is just a common sense approach. The plan would also allow for tax deferrals for investing long-term improvement of the cattle industry itself, and I suggest this be done on an individual basis. After all, it is a well accepted principle.

● (1730)

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but I must advise him that his allotted time has expired. He may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.