

of drastic cuts rather than to keep them on the farm with a guaranteed profit. In 1984, a payment was made. In 1985, there will be no payment. Not only do Ontario farmers have no subsidy this year, but they must compete with farmers whose hogs are subsidized. The Ontario production of hogs is about equal to the consumption in Ontario. However, other provinces sell thousands of live hogs in our market. Other countries, like Denmark, also penetrate our market. Then our surplus hogs find their way to the American market.

● (1500)

When we speak of the American market we must mention countervailing duties. The strong American dollar and government policies are combining to put unusual pressure on the American farmer. With an increasing amount of our pork entering the American market—and it is only a fraction of that market—American farmers thought it was unnecessary and unfair and successfully moved to have a countervailing duty applied. This duty was defended on the basis of a Canadian subsidy. Ironically it is the Ontario farmer who bears the brunt of this duty, while it is other parts of the country, particularly those to the east, which obtain the subsidy or are cushioned from the effect of subsidy by income guarantees.

We have heard comment about our friendship with the American Government and with the American President. In June the President of the United States will have to decide whether the duties will be applied. He has the final signing authority. The process up until now did not involve a presidential decision. I submit to the House that it is fine for us to have a good relationship with the President of the United States rather than the controversial relationship of the past. If there is a chance for this duty to be removed, there is more of a chance now than there was at any other time.

I hope I have laid the groundwork to demonstrate that a national tripartite scheme is essential. It should not be thought that every region in Canada should be subsidized in relation to its particular costs. Pork produced in Canada is Canadian pork, and all producers should produce on an equal basis. This is particularly important when one considers that present plans encourage over-production and that our subsidized products are exported to foreign buyers. Such a common system will become possible with the amendments proposed under Bill C-25. Four provinces have already agreed that tripartite plans should be in place—Ontario, Manitoba, Saskatchewan and Alberta—which represent somewhat over half the producers in Canada. They only await legislation for the plan to go ahead. To delay passage of this Bill any longer would place pressure on these provinces to initiate their own plans and to enter the interprovincial wars of treasuries being fought in farmers' backyards.

Under a tripartite agreement, the provinces would drop their regional subsidies and production in Canada would fall back to a more rational, market sensitive level. Each participant—the provinces, the federal Government and enrolled producers—would pay equal shares. Unlike present provincial plans, the

Agricultural Stabilization Act

maximum amount of any government input would be 3 per cent of gross sales of the product. In certain circumstances I understand the producer might be allowed to increase his payments to obtain a bigger pay-out.

The tripartite agreement would allow payments to be made promptly in respect of those products lending themselves to quarterly adjustments. For instance, for hogs and feeder cattle payments could be made on a quarterly basis. For other crops like wheat, payments could be made at the end of a crop season. The tripartite support prices would be such that there would be no incentive to over-produce and each commodity would have its own fund, recognizing the unique characteristics of the commodity, for instance, the difference in a cow-calf operation where costs are relatively static and the calf comes once a year, and the production of backgrounders, a term I never heard until I came to Ottawa, which means light feeder cattle, where the turnover can be as little as three months.

Within the tripartite agreements will be provisions that pay-outs will occur only on domestically consumed products. The Americans have shown more understanding of similar plans, and under such plans countervailing duties would be less likely.

Certainly the farmers of Ontario will welcome this Bill with its great potential to bring stability to farm incomes. Other farmers, particularly those who are benefiting from generous schemes, schemes funded partially by equalization payments from the have provinces, will initially fear the effects. However, our farmers are important to the nation and agriculture is an important tool to our economy. We cannot allow provincial boundaries to become the battle lines between farmers. We cannot afford to pour in more money, funded by loans, to push production in less favoured areas while the more favoured, efficient areas are torn down. The agreements which are possible under the amendments to the Agricultural Stabilization Act are important to the future of Canadian farmers. I am pleased to be able to add my support to its passage.

Mr. Hovdebo: Mr. Speaker, I want to correct an impression which I think the Hon. Member did not intend to leave. This is not a stabilization of farm income Bill; it is a stabilization of commodity prices Bill. One of its weaknesses is that it attempts to stabilize the commodity price. If the market price continues to go down, the result will be a lower stabilized price every year.

Following upon his remarks, I would like to ask the Hon. Member a question. He abhors the import of subsidized products into the country. I suppose that is a real concern on the part of all of us who are either farmers or deal with farmers or with products that have to compete with these imports. In the case of EEC beef, would the Hon. Member explain why his Government did not do something else rather than cave in to the EEC and increase the quota? Originally it was 5.9 per cent, and now we understand that the level will be three times that amount. Why did the Government do that? It invites more beef into the country to compete with Canadian beef.