Agricultural Stabilization Act

Speaker? It was not given a chance. That was the final blow which further depressed our sheep and wool industry. It was more noticeable to sheep producers in western Canada along the United States border because it was in such sharp contrast to the subsidized sheep and wool industry in the northwest United States, such as in Montana and Wyoming.

● (1110)

The omission of wool is a serious aspect of this bill. There never was a more appropriate time or urgent occasion to provide national incentives and support to Canada's sheep and wool commodity group than right now, especially in view of the new sheep and lamb processing plant which just opened last month at Innisfail, Alberta. This new industry needs encouragement and this is one way it could be done.

I want to turn now to the aspect of the bill that most concerns me, Mr. Speaker, and that is the top-loading feature. The British Columbia Cattlemen's Association held a two day annual convention which began on May 22 in Kamloops, British Columbia. I was very pleased to receive an invitation and I attended as an observer. The meeting held a special four hour debate on the issue of income assurance. The atmosphere was emotional and tense, but the standard of debate was high. I was reminded of a similar meeting of the Alberta cattlemen in Calgary in 1952 or 1953 when the topic was compulsory marketing boards for cattle. At that time there was a two day debate in the same tense emotional atmosphere.

My interest in this meeting, and my remarks today, relate strictly to the impact of a top-loading plan such as is proposed here for cattle, on international trade, especially with the United States. At the Kamloops meeting there were approximately 400 people, 300 of them voting delegates. I should like to read some excerpts from the detailed work sheets which were handed out at the meeting on the income assurance program developed by the British Columbia Federation of Agriculture in conjunction with the British Columbia department of agriculture. The following points are made:

> If approved by the B.C. Cattlemen's Association and B.C. Federation of Agriculture, the plan will be implemented as outlined herein beginning April 1, 1974 and terminating December 31, 1978.

It should be noted that this proposal is retroactive. There is also reference in the statement to the fact that the 1974 benchmark cost of production for calves is 77 cents per pound; producer premium rates will be eight cents per pound on calves and six cents per pound on yearlings and these rates will be reduced when plan deficits are retired. For 1976 and subsequent years, cost of production benchmarks will be negotiated using data appropriate to those years; that is, after the preliminary of 77 cents per pound for calves. The indemnity suggested for calves for 1974 will be 35.1 cents per pound. That is the payout that British Columbia cattlemen will receive under the program for last year. The benchmark cost of production for 1974 on yearlings is 63.2 cents per pound. Appendices are attached to the report showing how they arrived at the cost of production. The 1974 indemnity on yearlings will be 18.98 cents per pound. Producers must have a minimum of 20 cows or produce and market annually a minimum of

[Mr. Hargrave.]

8,075 pounds of qualifying beef in order to participate in this plan.

It is pointed out that the maximum annual production qualifying for participation in this plan in British Columbia shall be limited to 121,125 pounds applicable first to calves which cannot exceed .85 of the number of qualifying cows multiplied by the weight of the calves up to 400 pounds. This total weight refers to approximately 300 cows and it is the upper limit for cattlemen who can participate.

To be eligible for participation in the plan, a producer must maintain membership in good standing in the B.C. Cattlemen's Association. Indemnities and premiums are applicable only to the pounds produced in British Columbia. Animals must be owned by the producer for a minimum of 120 days to qualify for the plan. All eligible calves produced after January 1, 1974 shall be eligible for indemnities and premiums.

One final point from this worksheet is important, Mr. Speaker. In an effort to gain the confidence of lifetime cattlemen in British Columbia it was stated:

> The provincial government agrees that participation in this program is completely voluntary and further agrees not to institute marketing controls on beef during the life of this contract, unless requested to do so by the B.C. Cattlemen's Association.

Those were some highlights from the worksheets and I think it is important that the House recognize what is behind the income assurance program in British Columbia. Essentially, I think this plan proposes to guarantee British Columbia cattlemen all their costs of production, including a management fee and a specific profit.

● (1120)

Basically, I believe it is evident that a provincial income assurance plan with respect to cattle, such as the B.C. proposal, will not resolve the current cattle crisis today in Canada, for two fundamental reasons. First, any such plan will not create the necessary climate for inducing cattlemen to bring our Canadian cattle numbers, especially cows, back to a reasonable balance with respect to supply and demand. Second, any such plan does not take into account the short-term and long-term importance of the North American market concept and our trading relations with the United States. I am referring to relations in the field of cattle and beef. I suggest this because of our obligations under GATT which relate to United States-Canada trade matters. These obligations involve more than cattle. They involve other agricultural commodities. Possibly the United States will take a much harder line when renewing or renegotiating border agreements on August 11 next.

Something took place last week which could intensify this United States hard line to our trade in cattle and hogs. The Minister of Agriculture announced egg import quotas, in conjunction with provincial CEMA agreements. Significantly, Alberta was the last province to sign the agreement, but at what price? Mr. Marvin Moore, Alberta's minister of agriculture, signed, obviously under pressure exerted by the federal Minister of Agriculture.

Writing in the *Globe and Mail* on July 4, 1975, James Rusk said: