

by producers can only collect under a national program that somehow or other, through some magic that has never been totally explained, the U.S. will stop their countervail.

However, we should point out, as was pointed out through the witnesses and during the investigation of this Bill, that the U.S. has, during the course of its countervail, countervailed almost equally against provincial programs as it has against federal programs. It does not seem to provide any immunity to federal programs. We are operating very much on faith if we think that these particular changes will change the minds of the U.S. regarding the countervail of pork. I expect if it behoves them to do so, they will countervail equally against us when we come in with a beef program and it all depends under what sort of political pressure producers in the United States put their Government. They have a procedure that permits them to act and get a countervail much quicker than most countries have. In a matter of a few months, they were successful in having the countervail on pork and they, I think, would move equally as quickly if beef producers in the United States felt that their markets were being jeopardized as well.

We heard about a lot of frustration in the committee from producers of pork in particular because they thought we had a free trade agreement with the United States in pork. It is not too many years ago when Canada accepted between 14 and 15 per cent of our total pork consumption from the United States. While there may have been some grumbings, we realized that we had a free trade agreement with them and, therefore, if that was going to be any good, we would have to accept their pork when their product was cheaper than ours and could find a ready market in Canada. When the tables were reversed, however, with less than 3 per cent of the American market for pork being taken up by the Canadian product, the Americans moved a countervail action in an attempt to stop Canadian pork going into their market.

It is very difficult to see the justice in that and very difficult to see that we have in fact a free trade arrangement with the United States when we will accept between 14 and 15 per cent of their product and they move unilaterally against us when we take up 2 or 3 per cent of their market. There was a lot of frustration and we had two points of view—there were probably far more than two points of view but there were certainly two distinct schools of thought—in the information that appeared before us.

I pointed out because of the formula that Canada has adopted for stabilization programs when we get into a period of rapid inflation that is not matched in the market-place, as has happened with red meats, the 90 per cent of the five-year average does nothing to stabilize the industry. It does nothing to assist producers to stay in business.

We have in the late 1970s come through a period when interest rates virtually tripled, fuel prices tripled and a great many other production costs also went up very rapidly, but the price of beef and pork only went up a small part of the increase in cost. The 90 per cent of the five-year market average fell far short of covering the actual cash cost of the producers. As a consequence, a great many of the provinces, in

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order to maintain production and to assist the maintenance of farmers in their provinces, came in with bipartite stabilization programs based on a cost of production formula rather than on a market-pricing formula. They experimented, I think quite successfully, with the cost-based formula. They pioneered the programs where producers were able to recoup all of their cash costs and part of their investment costs each year through a program to which the producers contributed approximately one-half of the insurance premiums and those premiums were shared by the provinces.

Many of the producers who had experience with these programs had been agitating for these kinds of cost-based programs to be presented at the national level and that the contributions be done by farmers, provincial treasuries and the federal Treasury. These proposals seem to have been largely rejected by the Government. There is some mention of costs in the new formula but it is only used to arrive at a factor or an index and that then becomes part of a calculation.

The cost being the main source of triggering a pay-out is not going to be part of this particular program that we have offered to us here. They have come a little ways so that costs can make up part of the formula, but it is still basically a market-oriented program. When market prices fail to meet the cost of production, it simply locks in a situation which many of the producers who appeared before us describe by saying that it stabilizes poverty or it stabilizes bankruptcy.

During the course of hearing the witnesses on this, we also saw some changes to the political lexicon and redefinitions that will, I hope, not become part of the political dictionary of this country because prior to the changes we had some of the provinces attempt to come up with a tripartite agreement that was suitable to them, to the federal Government and to some of the farm groups within these provinces. Remember, Mr. Speaker, this is in a confederation of Canada which has taken pride in surviving with 10 distinct provinces and two territories for more than a century and has taken pride in recognizing the need for some recognition of differences for regions in the different areas of the country.

● (1740)

In spite of that, we started hearing about the majority of provinces which, when one understands the lexicon, means the four provinces that produce most of the livestock, and then we heard about the minority of provinces which turns out to be the six provinces that have most of the farmers. I am afraid that we ended up, by my assessment, listening to the livestock rather than the farmers.

The Minister attempted to bring in some amendments which he feels address some of the problems. The major amendment is one that I find very difficult to accept, and I voted against it in committee. I would like to talk about it for a few moments because I think the amendment misses the whole purpose of a tripartite scheme.

As we read the Bill initially, most of us thought that a tripartite scheme as presented by the Bill would be the establishment of a framework under which producer groups, provin-