for cattle as provided by Bill C-50 is certainly not the panacea that the minister and some of his cabinet colleagues would like us to believe it is. The current debate on our total cattle industry centres on various provincial income insurance plans, supply-management and the North American market concept, with the government's stabilization proposals being the dominant connecting issue. Over the last 12 months the stop-loss concept of the Minister of Agriculture has been pushed toward a guaranteed income or incentive level approach for our cattle industry by the minister and at least by some provinces. We should not forget what stop-loss is. It is a support price level at 90 per cent of the previous five-year average market price, plus a cost of production index. The minister now seems to be supporting a level above 90 per cent, such as the 100 per cent used in his fed cattle support price of $43.94 for the last 4½ months of 1975. Incidentally, that level turned out to be 26 cents a hundredweight below the actual pay-out average price of $44.20—so there was no pay-out, of course.

The minister has announced that there will be another fed cattle support price for 1976, but he refuses to announce the price and he has hinted that it may not be announced until the end of the year. However, we do know, as a result of my question on the order paper, that the previous five-year average for fed cattle ending December 31, 1975, is $40.60 a hundredweight. Of course, this is not adjusted for a percentage factor or the cost of production factor.

Let us turn to calves and the possibility of a cow-calf stabilization program. In my opinion there are clear indications that there will be no such program. The previous five-year average market price—this is for the last quarter of each year—up to December 31, 1975, is $40.39, again not adjusted for the percentage factor or for the cost of production. The level of $40.39 is the real reason, in my opinion, why the minister will not bring in a calf stabilization plan since the actual average calf price, even with a modest percentage and cost of production increment, would not be politically acceptable to cow-calf producers in Canada today.

There are two additional and important reasons why there will be no cow-calf plan. First of all, there are various calf programs now operating across Canada in six provinces and covering most of Canada's cattle. Second, there is a lack of federal financing and cabinet support for a cow-calf program, especially during this period of restraint. Of course, all these realities are small comfort to cow-calf producers who have operated at less than cost of production over the last year and a half, and I am very much aware of that. If we are honest, we must surely recognize the real reason for the cow-calf mess is the too rapid cow population increase in Canada and the United States over the past seven to eight years and the high cost of feed grains, as I have already pointed out.

● (1720)

However, after a period of political distortion in both Canada and the United States, the free market for cattle is working, and working very well now. The market signals have said loudly and clearly that there are too many cows, and a substantial reduction has already taken place. I pointed out that the 1976 calf crop may be down as much as 4 per cent. The cow population adjustment has been abrupt and rough on some operators, but again, if we are honest, we must admit there were some new producers—and I am not thinking of young producers—who transferred into the cattle industry who should never have become involved.

Should federal moneys be used to bail out or otherwise induce these fringe operators to continue? I think not.

I said the free cattle market system is working and, I might add, so is the North American market. Several weeks ago the minister at a Strathroy, Ontario, meeting made it very clear that he feels that heavy or excessive imports from the United States can only be controlled by supply management for cattle. There were some heavy imports at that time, as high as 8,000 head per week, whereas last week, the last week of record, there were approximately 1,900 slaughter cattle and 1,200 slaughter calves. I suggest the minister at that time only gave one side of the story.

For the week ending May 10, and that is the last week of record, here are the cumulative trade totals with the United States for 1976, that is, from January 1 to May 10. In that period, Canada exported 116,840 head to the United States, and we imported some 60,320 slaughter cattle and another 19,238 slaughter calves for a total of 79,558 imports. For dressed beef in that same period Canada exported 30 million pounds to the United States, and we imported 8.6 million pounds from the United States. This 8.6 million pounds of imports from the U.S.A. is up 1.2 million pounds from the same time-frame a year ago, but the total imports of dressed beef are up some 23 per cent. Most of this, of course, is coming from Australia and New Zealand. The point is that Canada has a very positive trade advantage in both dollars and numbers over the United States. We should not overlook or forget that during the last 4½ months of 1975 the U.S.A. accepted some 100,000 live cows from Canada, a fact which did not go down very well with United States cattlemen but did considerably strengthen our Canadian cow market for the other 800,000 cows which were sold in Canada. The North American cattle and beef market continues to be the only practical, long-term market available to our Canadian industry, regardless of whether we are net importers or net exporters of cattle and beef.

When we are on the net import basis, as we have been for the last seven or eight years, the United States is the only source of live cattle and fresh beef available to us; and when we are on a net export basis, no other country in the world can afford to buy our cattle and beef on an offshore basis, that is, with transportation costs considered. To those of us in the Canadian cattle industry who feel we should move in a supply-management direction or even in a series of provincially-oriented income assurance or price stabilized plans which involve top-loading, I say very emphatically but sincerely that that decision must surely be based on the more basic and fundamental issue of the choice between access to a continued North American market for our cattle and beef, or an inward-oriented—with federal import controls—type of industry which will surely move us toward virtually a giant public utility. That must be our choice, since the United States will certainly move to deny us their market if we choose the price-subsidized route.