

Supply

Minister of Agriculture might want to choose his words more carefully.

● (1500)

Along with the Hon. Member for Humboldt-Lake Centre I was interested in the comments of the Minister of Agriculture with regard to free trade. He seems to be supporting the concept that, yes, our marketing boards are important in Canada whether in the dairy industry, the feather industry or with regard to the Wheat Board but the Minister is not prepared to take them off the table in the free trade negotiations. I understand his thinking in that regard, but I reject it completely. It seems to me that if you are going to enter into negotiations with the United States, you cannot go in naively and say "Well, we will put everything on the table and there will be no problems."

Mr. Benjamin: That is what the Liberals did.

Mr. Foster: It appears that you have to think that the American system of marketing and assistance to agriculture is better. I reject that. I think our system in many of those administered commodities is much better. Even if we wanted to go to the American system I do not think that we have treasuries rich enough here to support a system like that.

I would be interested in the thoughts of the Hon. Member for Humboldt-Lake Centre, although he has pretty well set them out on the table already. To be prepared to adopt the American system of subsidies and surpluses and the American system of agriculture would be something quite impossible for our Government to take on even if it were as good which, in my opinion, it is not.

Mr. Althouse: Mr. Speaker, I do not think I can give full justification in the time I have to the complexities of the question posed.

Mr. Benjamin: What was the question?

Some Hon. Members: Oh, oh!

Mr. Althouse: If we are going to our trade talks with the United States with child-like wide-open eyes thinking that this would be a way of maintaining free trade in agricultural goods, we are probably fooling ourselves to no end. There has not been true and absolute free trade in many agricultural goods, certainly in my lifetime.

In my reading and understanding of economic history, that has been the case with only a few commodities at any one time. In reality, most of the large developed countries have internal agricultural policies which serve to protect supplies. They make certain they come very close to being self-sufficient in food, a situation brought about, in part, because of European experience with war. Countries like to be as self-sufficient as possible in the event of a blockage during war. That policy came from the last century and with two major wars in this century, countries feel it is still a good policy and they pursue it. Similarly do the Japanese. They try to produce as much within Japan, regardless of cost, as possible. That has

not necessarily been the reason for the U.S. producing the kind of agricultural output it has. The U.S.A. happens to be a relatively new economy situated in a very good agricultural area, in terms of land base, climate, technology and the training the population has. Americans are able to produce very well. They have at the same time used extra funds from their industrial base to assist agriculture in farm and rural life in a way that is subsidized at least three times per capita as in Canada. American farmers will not give up their far greater subsidies. Therefore, when we go into negotiations, we have to go in with our eyes wide open. We have to realize the U.S. is a much bigger country. Our negotiating position and economic clout is only about one-tenth of the U.S.

As long as we go on recognizing those things, we may come back with some honour and ability to survive as farmers in Canada. If Government negotiators ignore that, Canada's farmers will be very ill-served indeed.

Mr. Benjamin: Mr. Speaker, I have two questions for my colleague. I did not get a chance to ask the Minister of Agriculture (Mr. Wise) so I will attempt to ask him indirectly; first, on the experience of Canadian livestock producers in particular, but others as well. On a number of occasions in the last two or three decades we thought we had understandings or agreements on the amount of cattle, hogs, calves and dressed beef that we could send to the United States. As soon as the Americans started hurting, they closed the border. That has happened on three or four occasions since 1970.

Will the Hon. Member comment on the fact that unless we have a specific commodity, volume and price agreement that that situation will continue to happen? If we think we can blast our way into a market R.B. Bennett style we are deluding ourselves that the American livestock producer will hold still for that.

Second, my colleague commented on the matter of free trade. He said that we are trying to keep all of our eggs in one basket when we could be negotiating deals with countries such as Mexico and those in Central America. We could provide them with pure-bred cattle, breeding and red meats in exchange for their fruit and vegetable production rather than relying on the high cost imports from the United States in the middle of winter.

Mr. Althouse: Mr. Speaker, I will try to be brief because I notice you are getting a little edgy about the time. I do not have all of the instances of times when our relatively free trade agreement with the United States on red meat went awry. Probably the most noticeable ones had to do with our free trade hog component of the red meat understanding. In 1976 we were not producing all of the hogs required in Canada and we were not meeting our own domestic consumption. At one point for a year in that period in the middle 1970s, 14 per cent of our pork had to come from the United States.

As far as the Americans were concerned, we were a very small market. This past year the shoe switched to the other foot, so to speak. We were exporting relatively heavy exports of pork to the United States. We got to the point where