

fuel in an emergency. Therefore the supply of Canadians in essential goods will not be interrupted.

In consultation with Agriculture Canada, the board will determine what sectors of the agricultural and food industry will be classified in the A and B categories. The minister can rest assured that Canadian farmers did not expect any less from him than this statement giving them the guarantee that in the event of an energy crisis, they will be able to maintain their supplies of oil, which is an essential product for the Canadian agriculture.

I would like to demonstrate once again that the present Minister of Agriculture makes every effort humanly possible to help Canadian farmers. Recently he went to China to discuss market possibilities with Chinese officials. Canada-China co-operation has had a significant boost today with the signature of an agreement between the two countries. The agreement signed by Agriculture Canada and the Chinese ministries of agriculture, state farms and land rehabilitation calls for closer co-operation between our countries in several areas, such as joint projects, information and material exchanges, scientific visits and commercial contacts.

The first activity organized under this agreement is a visit by a Chinese delegation which will come to study our agricultural legislation. This is the first time such an agreement is signed between a Canadian department and its Chinese counterpart. The implementation of this agreement will be subject to yearly consultations between the Canadian and Chinese agriculture departments. The minister announced the signing of this agreement during a press conference in Peking after a meeting with the deputy prime minister and the chairman of the Chinese Agriculture Commission.

Mr. Chairman, we should be happy that the Department of Agriculture has taken this approach and these initiatives to help our producers gain access to domestic markets and entertain the possibility of reaching world markets. Under this agreement, there are some projects that could be implemented as early as 1980-81, for example, a joint research program on route management, the setting up of a model ranch in north-eastern China, various seminar-conferences with assorted activities and possibly study and work exchanges. The Minister of Agriculture was the first in that capacity to visit China.

I want to emphasize how important it is for us that our farms are family operations in 95 per cent of cases and that the minister has opted for an agricultural policy that favours such types of operation. Take, for example, the loan policy of the Farm Credit Corporation. Last year 98 per cent of loans were granted to unincorporated family operations, and most of the incorporated operations were controlled by farmers. The stabilization program under the Agricultural Stabilization Act as well as the Western Grain Stabilization Act set the minimum and maximum amounts to ensure that the bulk of the money goes to family type farms rather than farm corporations. Also, agricultural research attempts to find ways to

### *Supply*

make the family farm more profitable. In the short term, that will boost farm income and in the longer term it will make it possible for Canadian farmers to compete with foreign farmers and to ensure the viability of their operation.

Mr. Chairman, I agree with the minister's position that we must do our utmost to ensure that farms continue to be operated by families. Mr. Minister, I share your concern over the fact that the number of such operations has decreased continually in the last 20 years as it went from 480,000 in 1961 to 340,000 in 1976, yet I do think that the worst is behind us. In other words there are fewer farmers in Canada. I dare hope that the number of commercial farms in Canada is levelling off and I say we have everything we need to increase our production.

With more intensive farming methods there could even be more farms. World population is growing at the rate of about 2 per cent a year. We have the land, the farmers and the required knowledge to produce more food. Economic development did contribute to raise the standard of living in several Third World countries. New markets are now available for Canadian dairy products and meat. There are hundreds of marketing opportunities for a whole range of Canadian products.

Canadian agricultural production, besides benefitting from tremendous export possibilities, can also develop its domestic markets. Do hon. members know that more than half of the \$4.7 billion of food imported in Canada last year were competing directly with food we produce or could produce right here in Canada? Therefore we must try harder to make consumers replace at least some imports with food produced in Canada. But that will require the co-operation of farmers, processors, federal and provincial governments. The Minister of Agriculture is already initiating a certain number of projects.

Mr. Chairman, once again I am extremely happy to have taken part in this debate and in conclusion I should like to urge the Minister of Agriculture and his team to keep on giving farmers such good programs. Keep up the good work, Mr. Minister. We like you just the way you are.

● (2220)

[*English*]

**Mr. Greenaway:** I am sure the minister is aware that the Canadian livestock industry provides about 50 per cent of the farm cash receipts in this country. He may not be aware that only 20 per cent of the research dollar is spent in this area and only 6 per cent of this 20 per cent is related directly to research in diseases of livestock.

Tonight I would like to talk for a moment about a research laboratory in Saskatoon with which I think the minister is familiar, the Veterinary Infectious Disease Organization, VIDO. Some years back the farm community and veterinarians in the country recognized this gap in research. They were