

*Agriculture*

The groups that are in difficulty today are those that depended on that great free market system that was going to take care of them. It has taken care of them in the way the black sheep does in the slaughter house. Before he goes into the slaughtering pen he detours and all the others following him go to slaughter. That is what has happened to many, many people, especially young people in the beef industry.

When we speak of stabilization we should remember what has been done for hog producers in 1980. Payments totalling \$112 million will go out to hog producers; indeed, practically all of that money has been paid out already. Some of the provinces are what we call "piggybacking" that program and the total pay-out to hog producers for 1980 will be \$200 million. That will go to a very efficient group of producers who run a very inefficient marketing system.

The spokesmen for the New Democratic Party and the official opposition used sweeping statements about the agricultural industry but they know as well as I do that it is not the total agricultural industry that is in trouble; only those people who operate outside some system that the farmers set up and run themselves to market their products are in the difficulty that we all know about at the present time. Many efficient areas of agriculture are not in financial difficulty today and are able to pay their bills. Their cost-pricing formulas use interest rates, taxes, energy, etc. when they set a price for the product and as a result they are not experiencing any difficulty. People who depend on the buyer saying "I will give you so much for your product, take it or leave it," are in difficulty, especially if their product is perishable.

The red meat industry, both beef and hog producers, is a very important part of our agricultural production. Beef producers are probably in the worst position, but that was brought on mainly because of overproduction of pork. People bought the cheap pork product. Not as much beef was sold and so the buying power of the producers declined. The same thing happened in the United States.

The hon. member opposite said that I should speak about interest rates. I think my officials have been fairly accurate in calculating what happened when American cattle came to Ontario and took over about 25 per cent of the market for about four months. Mr. Speaker, we could have given them interest-free money for their whole operation at that time and they still could not have made a buck, because the market was depressed as the result of importation of big, cheap, fat cattle from the United States. Many people contend that we can compete with that system but, Mr. Speaker, when they have a production machine that is geared to feed 240 million people and 2 per cent of their surplus is sold to Canada, which has a machine geared to feed 24 million people, the machine gets plugged up. That is not a managed supply, Mr. Speaker.

In other production areas farmers have taken the initiative and looked after themselves, whether it be through a provincial marketing system or a federal marketing system under the jurisdiction of the Department of Agriculture and the National Farm Products Marketing Council—which only include dairy and poultry products—plus the Canadian Wheat Board

which is under the jurisdiction of another ministry. It was set up in 1935 to provide some order in the marketplace for grain. Order in the marketplace is the most important thing because it ensures that the market can absorb the product and that it will not be piled up in the hope of selling it.

The hon. member who spoke for the opposition put on record how many millions of dollars farmers receive interest free from advance payments for grain. Listening to him, one would think that no such program was provided for anyone else. The estimate of applications from the Canadian Wheat Board and for producers of perishable crops will amount to about \$255 million interest free. Close to \$500 million will be lent by the Farm Credit Corporation and until October 1 the interest rate was 14 per cent, which was highly subsidized, and even at the present time it is being subsidized by about 6 per cent. Today, anyone who can obtain a mortgage pays approximately 21.5 per cent or, if they are lucky, perhaps 20 per cent.

There is still a tremendous amount of assistance available to farmers through government programs, Mr. Speaker. If there is a good marketing system, then I do not think tremendous sums of money are required for stabilization programs. The poultry industry has not received a penny of tax dollars since 1972 when I became minister. They run a fairly healthy industry and they run it themselves.

Stabilization programs will be announced as they are needed. They will provide income support to farmers to help them remain in farming and run a viable business. Since 1958 the federal government has paid out nearly \$4 billion in stabilization payments. This is similar to what was offered to farmers for other commodities but no province or farm organization took it up. No farm organization said it was something they wanted; they condemned it but it was similar to the Western Grain Stabilization Act with a contribution by producers and a contribution by the federal government. In the case of the Western Grain Stabilization Act the ratio is two to one. It has been suggested that a similar program be set up for hog stabilization involving the producers, the provinces and the federal government. For four years we have been trying to get agreement for such a program but it has not come about yet. I have stated that I would go ahead with a hog stabilization plan similar to the Western Grain Stabilization Act involving the producers and the federal government. It would be a voluntary type program.

The benefits to western Canada of a program like the western grain stabilization plan are difficult to estimate. Indeed, it benefits all Canada. It is not just that \$360 million has been paid out since the inception of the plan; the real benefit has been the confidence instilled in the grain industry. It has allowed farmers and all types of agri-business in the west to plan for the future in an orderly fashion.

The same type of stabilization program is under discussion at the present time for hogs and I am sure it will eventually apply to other agricultural commodities. I have already mentioned that we had proposed this to the provinces and to farm organizations in 1977. They have very short memories but I do not comment, Mr. Speaker. I remember what we proposed.