

Supply

expanded to the point where today nearly all farm production is covered by crop insurance. The federal Agricultural Stabilization Act provides farmers, in years where the market for so-called "designated" commodities is poor, with income equivalent to 90 per cent of the average market prices in the five previous years. This rate is also indexed to reflect variations in production costs.

The year 1979-80 was not a good one for hog production and the Agricultural Stabilization Board provided producers with subsidies which compensated for the difference between the cost of production and the selling price. In fact, I think the board, which is under the authority of the Department of Agriculture, contributed \$53.5 million, and I am certainly proud to say that 36 per cent of Quebec producers benefited from these Agriculture Canada subsidies.

As far as credit is concerned, the federal government, through the Farm Credit Corporation, helps farmers get long-term loans at preferential interest rates. For example, hog production has prospered to its present state in Quebec certainly because the Farm Credit Corporation was the first to grant loans for hog breeding facilities. In fact, it granted hog producers 80 per cent of their loans.

On the marketing side, the structures established by the federal government to help producers market their products have certainly helped stabilize production. While it was openly criticized a few years ago, for example, the Canadian Egg Marketing Board, now provides egg producers with an adequate level of income from their production and guarantees consumers adequate supplies at reasonable cost. This stabilization system applies to production, prices and supplies and ensures the stabilization needed in this sector, which in turn benefits consumers.

The marketing of industrial milk is another good example of the efficiency of the supply-management systems. After a period of expansion, milk producers have experienced certain difficulties adjusting their production levels to domestic demand for processed milk products. The Canadian Dairy Commission succeeded in stabilising the situation and balancing offer and demand. For the past two or three years this sector has been expanding because of advertising campaigns designed to boost consumption, because of exchange programs set up by the Canadian Dairy Commission and because of the dynamism in the search for new outlets on international markets. Some will say that the rate of growth is rather slow. It may be so, Mr. Chairman, but it is preferable to advance slowly but surely than experiencing drastic increases that generate disorder on the market to the detriment of that very sector. Many producers would suffer from it, some would even lose their shirt on such deals, and in the end consumers would foot the bill.

The dairy program is a good example of intervention by the government which, with its production subsidies, is increasing producers' income while allowing consumers to buy at reason-

able prices a basic and nutritional product. This system also enables us to maintain a certain level of production and consumption and that, once again, for the benefit of the production sector and a sound nutrition for all Canadians. On the other hand, Mr. Chairman, the levy system to pay for export marketing directly involves producers who are thus called upon to be responsible, at their level, for the smooth running and prosperity of the whole agri-food industry. Marketing is now the level setting in motion the different components of the Canadian agri-food industry. A lot of other programs carried out by Agriculture Canada could be mentioned. In fact, the department is responsible for the implementation of over 40 acts and regulations.

Another area of activity in the department, namely research, thus far represents the sector with the greatest impact on agriculture. Studies were made on crops, livestock, plant protection and animal disease. Those subjects of research will remain very important, Mr. Chairman, in the research programs of the department but present economic realities give a new direction to research in agriculture. Spiralling energy costs emphasize the need for studies on the replacement of conventional energy sources by so-called renewable energy sources. We are also trying to find a means to integrate biological elements in the fight against plant and animals pests to reduce the use of chemicals which are too expensive and which are harmful to the environment in the long run.

Mr. Chairman, those are only a few examples of the efforts made by Agriculture Canada, by its minister and by its team of civil servants to help the agriculture food industry make continuous progress. This is not by far a comprehensive report on its activities and programs. I should simply like to demonstrate that the department is determined to play an active part in the development of agriculture at all levels and that it intends to continue to take the leadership in the agriculture food business in Canada. But what will the department's future role be?

The world population is growing at the rate of 2 per cent a year. It is estimated there will be 6.4 billion people in the year 2000. The demand for food will increase proportionately. Mr. Chairman, Canada has the potential to expand its production considerably. We have the arable lands, the manpower and the technology to do so. We have the best arable lands throughout the country. To meet the demand, we would have to double our agricultural output before the year 2000. That expansion will have to be based on the development of new domestic markets to replace imports and expansion of foreign markets for a dynamic marketing of our products. In view of the higher cost of energy there will have to be the political will to encourage investment in that area to be able to meet the demand in underdeveloped countries.

As I said earlier, Mr. Chairman, and perhaps the minister can reply briefly, I hope that early in 1981 the agricultural export corporation bill will be tabled in the House which, of