

Canada and the United States more equal. Again, that recalls my introductory disclaimer about comparing apples and oranges.

● (1815)

The most highly subsidized aspect of all Canadian agriculture is the dairy industry. In all, the dairy program costs the federal Government about \$300 million a year. That is \$100 million more than Agriculture Canada will spend on research this year. But if we are going to be truthful, we must say the dairy subsidy is almost entirely a subsidy to consumers. If the farmers did not get the subsidy, the price to consumers would have to be higher and then one gets into that dilemma which I mentioned at the beginning of my short intervention: how do we keep track of this if we define, as we have done time and again, the subsidy to the dairy producer as being, in effect, a consumer subsidy? Is it one that should be taken into account when doing a comparison? Should it be discounted completely and removed from the figures? It becomes a problem of definition.

As it stands, the dairy subsidy, as an integral part of the dairy program, has brought large benefits to both producers and consumers. Our supply management system has kept dairy production running reasonably closely in line with market demand. Of course, there has been some overproduction in past years but it is nothing compared to the excesses in the EEC and the United States.

If one refers back only to the Question Period of this day and recalls the question asked and the answer made by the Minister, he referred to the milk powder surpluses that exist and the fact that the European Economic Community now has tremendous surpluses unlike anything we have ever seen in Canada. The Americans are also experiencing the same kind of surpluses. In Canada we have our powder sold until at least June of next year. One wonders whether the program should be criticized as it has been from some quarters.

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The EEC now has a mountain of butter in storage amounting to approximately 650,000 tonnes. As of last April, as stated by the Minister, the United States had nearly 600,000 tonnes of skim milk powder and a quarter of a million tonnes of butter. Combined, the EEC and the U.S. will probably spend \$8 billion in their dairy programs this year and I think that makes our \$300 million program look pretty good.

Looking at the over-all stabilization program, in recent years we in Canada have paid out in the neighbourhood of \$50 million a year in deficiency payments to farmers for times when their receipts fell below the trigger price. I can speak with some conviction and personal knowledge with respect to the stabilization payments. As I have already indicated to the House, 80 per cent of the greenhouse production in Canada finds itself in my riding. Without the stabilization program, I can say that it would be far below 80 per cent which I could represent in the House today. Even in the last two or three

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years they have had to have access time and again to the stabilization program when the markets have not provided the cost of production let alone a reasonable and decent profit.

This year the budget for stabilization is approximately \$70 million. Is that the kind of program that our compatriots in the United States would look upon as a subsidy program, or is it, in effect, a social program that continues to have the agricultural sector alive and well and viable, or at the very least maintained in an effort to become viable in the following year?

We will also contribute about \$140 million to the western grain stabilization fund, although it is not expected that a payment will be made. In comparison, the United States has spent \$22 billion in farm supports so far, mostly for the PIK or Payment In Kind program. By some estimates it could go as high as \$30 billion by the end of the year.

If the dairy subsidy is deducted, Canada has spent just over \$1 billion in support payments since the Agricultural Stabilization Act was passed in 1957. In the past few years provincial Governments have become involved in various red meat stabilization programs. We estimate that they have spent about \$500 million on these programs in the past eight years while we have spent about \$214 million at the federal level.

Mr. de Jong: Mr. Speaker, I wonder if the Hon. Member would allow a short question.

● (1820)

Mr. Daudlin: Mr. Speaker, I would be delighted to answer a question if time permits once I have completed my intervention. There are some items which I would like to have on record. If time permits, I would be delighted to—

Mr. Taylor: You haven't said anything yet.

Mr. Daudlin: It is unfortunate the Hon. Member across the way has been listening so inattentively. He has not heard much of what I put on the record. If in fact he concentrates a little, which I know he finds difficult, I would be delighted if he found even one item—

Mr. Taylor: Tell us something other than a lot of baloney.

Mr. Daudlin: It is unfortunate that one would classify information so vital to the agricultural sector as baloney. I thought the Hon. Member came from an agricultural area.

Mr. Taylor: You are full of baloney.

The Acting Speaker (Mr. Corbin): The Hon. Member for Essex-Kent (Mr. Daudlin) has the floor in order to make a speech. He should not be interrupted.

Mr. Daudlin: Let us look at crop insurance. This year the federal Government will provide about \$140 million for this excellent program, matching the premiums paid by participating farmers. It is true that we subsidize crop insurance. The simple fact is that without our contribution the premiums would be too high for farmers to pay and we would see a