

no consultation and that we have no programs, but no two groups work closer together than the provincial ministries of agriculture and the federal Department of Agriculture in this confederation of ours. If all federal-provincial relations were conducted with that kind of harmony, I am sure no one would be suggesting that there should be a separatist movement in our country. Programs which have been worked out and upon which we are presently working are worked out in harmony. Stabilization programs and so forth are worked out with our provincial counterparts to ensure the best for this nation, which, as I said earlier, is the envy of the whole world.

With regard to production increases, efficiency and exports, the hon. member talked about the price of food, but he neglected to say that in 1977 alone it was the price of imported food which increased. Some of that food could very well be produced here. There are no restrictions or quotas on hog production in western Canada, but hog production there has decreased by about 50 per cent in a little over a year. Every working day last year we imported \$1 million worth of pork. We imported \$222 million worth of pork last year. The fact that products are coming in is not the fault of the Canadian farmer. The productivity of the Canadian farmer has increased by 500 per cent in 35 years. No other part of our society can claim that. All I want is for farmers to do some things for themselves, as the vast majority of them have been doing.

Earlier in my presentation I referred to beef farmers who refused to do some of the things other farmers in the dairy business, the horticultural business or the poultry business are willing to do. These other producers have been working together, running their own independent farms and selling their resources through marketing boards, associations and so forth. We should not be using the medieval system of bartering which is still used in the beef industry today. Producers are not saying "My beef animal is worth so much". They are saying "How much will you give me for it?" and bargaining from there, like they did before the time of Christ. Hon. members will remember that Christ threw the moneychangers out of the temple, and it is about time people in the beef industry recognized that they must do the same thing.

The hon. member spoke about Canada's exports. We are in a hurly-burly world when it comes to exports at the present time. Many countries are retrenching. They have rich treasuries. The United States said it would not get into a surplus dairy position, but it is in a surplus dairy position today. The United States said it would not enter markets other dairy producing countries were in, but it is starting to do so.

Needless to say, there was a lengthy discussion about that yesterday. If the Americans do enter those markets, hon. members can be sure we will be asking for compensation. Exports have risen every year since 1969. That includes the very difficult years of 1975 and 1976. Preliminary estimates for 1977 indicate that agricultural exports increased by more than \$400 million in 1977. That represents an increase—not a decrease—of more than 11 per cent in one calendar year. That is an enviable record for any country.

Farm Income

There are approximately 24 million people in Canada. Canada is a northern hemisphere country which competes with such economic giants as the United States of America, which has a population of more than 230 million people. Canada competes with the European Economic Community which serves 260 million people. The EEC spends 74 per cent of the \$15 billion it spends on its operations on agriculture, and the health of the European agricultural industry is not half as good as the health of the industry in Canada. When the head of the EEC was here the other day he said the EEC spends too much on agriculture, and everyone laughed. I said I agreed that it spends too much and that we have to compete because of its stupidity in the way it manages its agricultural economy.

In Europe there is a surplus of skim milk powder, fat products and so forth to a total of two million tons. About four years ago egg production in Canada decreased by one half of one per cent. A small percentage like that amounts to billions and billions of pounds when it comes to skim milk powder. At the beginning of 1978 there were no unsold surplus dairy products in the Dominion of Canada. The dairy industry in Canada is run by the Canadian Dairy Commission. Somebody said something today about no consultation with regard to taking a \$13 million subsidy off skim milk powder. I have just finished reading an article in a great Montreal newspaper which says that skim milk costs 40 cents a quart in supermarkets in Montreal. It should cost that because skim milk is not skim milk powder. Skim milk powder costs \$1.06 and produces four quarts of a highly nutritious drink. That amounts to 26.5 cents a quart. That is cheaper than Coke, ginger ale or anything of a similar weight, and these other beverages have no food value whatsoever.

Some say we are bad fellows when we transfer payments, index pensions for veterans and others and index family allowances. We transfer additional new dollars to the provinces to take care of poor people, and then we are condemned.

Some say there is no consultation. The hon. member for Elgin is from a very productive agricultural area. He is a good farmer from way down in southwestern Ontario. I would like to say to him that we did not consult when we put on the subsidy either. The agreement we have with the dairy farmers of Canada is designed to produce a return. If there need be social services in this country, let us not have the agricultural community providing them directly. We are already producing the cheapest food in the world when related to the earning power of our people. About 13.8 per cent of the earnings of Canadians is spent on food. In the United States the figure is 15 per cent. People accuse me of not having a food policy. Some people suggest that we have millions of bureaucrats looking into every can of soup or beans, into every chicken house, into every pig yard and everything else. One could imagine the cost if that was added to the cost of food, as is the case in some socialist countries where 30 per cent, 35 per cent or 40 per cent of their budgets are spent on food production.

I am proud of the system we have in this country, and our desire is to make it even better.

Some hon. Members: Hear, hear!