

propositions the Minister of Agriculture is constantly making as a solution. I refer to supply management marketing boards, Canagrex and so forth which the minister thinks are solutions to farm problems. These methods are not dealing adequately with the very serious problems farmers and small businesses are facing today. They are not a panacea. We are saying to farmers, "Boy, are we ever acting here in the House of Commons to solve your problems"; but their problems are more economic than anything else, and they need some real help.

What we are talking about here today is a philosophy. Farmers have been traders for centuries. They have traded the produce they have grown on the land for other items they have needed. However, as they became more efficient, they found they could grow more than they could trade and, as a result, we have had to send envoys into other parts of the world to try to move their produce. Today farmers, particularly in this nation, are again attempting to trade their produce for some of the things they need. This is being done because of high costs. Farmers trade grain or concentrate. They trade beef for electrical work and so forth. Part of the reason for this is the tax system under which they are living. However, external trade becomes a very important factor when we take into account the capacity and the capability of the farms of this nation.

Farmers have two options. They can simply produce for the Canadian market or produce more than the market of this nation needs and get into export markets. For as long as I have known this minister, he has felt that because much of our export trade is failing, supply management marketing boards are what are needed. The minister goes to Alberta and the prairies and talks about the beef industry being in difficulty, and his solution is control of the market. But he always forgets to talk about protein substitution. It is very easy to control the supply of milk because there is no substitute for it. It is easy to control the production of eggs. People like eggs in the morning, and there is no substitute. When it comes to protein, if we control the supply of beef in an attempt to increase the price, the consumer will buy pork. If we control the supply of pork, the consumer might buy poultry, which is already controlled. There is also fish. In addition, we are now capable of producing protein from soybeans and other plants of that nature. That is another substitute, and many people in restaurants cannot tell the difference. The solution offered by the minister to the difficulties our red meat industry on the prairies is facing is much too simplistic, and producers on the prairies ought to be questioning the minister about this type of solution.

The other and more interesting solution, as far as the farmers of western and eastern Canada are concerned, is the export solution. Farmers are accustomed to using technology and their own initiative and abilities to produce more and more off the land year after year, and they want us and both private and public corporations to go out into the world markets where people are hungry and sell their produce—at a profit, wherever possible. I have said before that as our world population

increases by 1.8 per cent per year, some 80 million people, there is a growing need for food. There are markets for what we can produce, and there are very few nations in the world which have the capacity to produce more than their own needs.

Agricultural exports have proved to be very good for Canada. Some 40 per cent of our farm cash receipts come from exports. That is one of the highest ratios in the world, and this industry needs encouragement. We in the cereal production areas of Canada find that we have the capacity to produce a tremendous crop, but we have not the rail capacity or the necessary capacity at ports to satisfy the demand there is in the world. In 1980 we exported \$4.9 billion worth of grain, and the value of our total agricultural produce exported was \$7.8 billion. That represented some 10 per cent of our total exports, our second largest single export. We exported some 120 million pounds of dressed beef—mainly to the United States—and \$140 million worth of live cattle. We exported some 282 million pounds of pork to the United States and Japan. I could go on and tell of the many crops and livestock we are presently exporting. We need to expand the markets we have. The minister says that is the purpose of this bill.

**Mr. Whelan:** But at a fair price, Stan.

**Mr. Schellenberger:** At a fair price, and there are many countries which can afford to pay more, and would, if we had co-operation between exporting nations.

As hon. members who have spoken before me have said, we also have a food trade deficit. If we discount our grain sales we have a very large trade deficit. Members here are saying to the Minister of Agriculture that there is room for improvement in that picture. Members have described the possibility of expanding our greenhouse operations and our frozen food capacity. We have a capacity in this nation that is unbelievable because of our cold climate, in that there is a lot of waste heat being blown off into the cold air which does not even help to warm up this country. If you had lived in Alberta for the past four weeks you would hope that we had some capacity to use this waste because it has been 40 degrees below.

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We need the direction and the encouragement of this government because of the cost factors involved in researching the ability to use waste heat from nuclear power plants, coal-generated electrical plants and pumps which move natural gas and oil across this country. There is a tremendous capacity there and it is also a very labour intensive industry. If we were putting some of the funds we are proposing for this purpose into that sort of thing, we might in the long run find this more beneficial to the nation.

This brings me to the Canagrex budget. The minister wanted to create a large corporation. He was asking for some \$60 million and a staff of 175. What he got was \$4.1 million and a staff of 12.