

this afternoon in Quebec City; it would be a pleasure to do so. I congratulate them on their efforts and what they are doing at the present time. They are seriously considering buying Canfarm. They say that they can provide 10,000 members for Canfarm in short order.

When we look at the Ontario Federation of Agriculture which claims to have 24,000 members, they would not even require half of that membership to make Canfarm, along with UPA, the tremendous success it must be. As far as I am concerned we have lived within the agreement made to them. We hoped that enrolment in two years would be close to 10,000. If it was at that break-even point now, there would be no difficulty with its financing etc., but Canfarm has only 5,000 members.

There has been some argument—and perhaps it has been legitimate argument—that the number of members we turned over were not real members. We said that about 8,000 members would be turned over to them, and they have pointed out that less than 5,000 members really belong to Canfarm. We know those figures are argumentative.

The break-even point for Canfarm is 10,000 to 12,000 members, preferably 12,000. The Canfarm co-operative service is under the direction of Peter Hannam, as the hon. member stated. He has tried very hard to come up with the proper program. We have lived up to the intent of the agreement. The money received was \$1.2 million in 1979-80 and \$1.2 million in 1980-81 and depended on the need and the progress of the organization. This is what we said we would do. Presently the financial resources of the co-operative are virtually exhausted. It may be necessary to consider closing down Canfarm and to finish the 1980 farm accounts by March, 1981. The options would be to sell the business, restructure it, or close it down with the decision taken in March or April of 1981.

Those people who feel strongly about Canfarm can make representations to my colleagues in cabinet, to other members of my party and to the leaders of farm organizations to have them come forward. I must say that some of the farm organizations have been very quiet, even under the desperate conditions facing Canfarm at the present time. All options require the loan guarantees to be paid, and we know it could cost us a substantial amount of money to close down Canfarm. We know it will cost quite a bit of money, if we try to continue on operating it under the present conditions following any of these options. All options require Canfarm to operate from now until December 31, 1980, at an estimated extra cost, above the \$300,000 we just put into it, if I understand it correctly, of \$570,000.

● (1620)

In addition, the costs estimates are as follows: at December 31, 1980, the close down decision is \$1.7 million, for January-March, 1981. The sale of business up to January-March, 1981, is \$1.7 million. Restructuring or close-down costs decided for March-April are \$1.2 million in January-March, 1981, to \$1.3 million in April-December, 1981. Total cost estimates of the

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December, 1980, close-down decision could be \$5.8 million. The sale of the business could be \$5.8 million. The restructuring or close down decision for March-April 1, 1980-81, could be \$5.3 million. For 1980-82 the figure is \$1.3 million. The total cost is \$6.6 million.

If we had that kind of support for this organization then I agree with the hon. member for Guelph that it does warrant it. I am sure that I, as Minister of Agriculture, can sell a better bill of goods to the economic people in the Government of Canada on where we could go and what we should do with Canfarm.

I personally support Canfarm. I think it is a unique organization. I do not know of any other group of agricultural producers who have this kind of organization available to them. But it is at the stage where we must make a decision in the next few days with respect to what we will do. Unless I get more support than I have at present I will be in no other position but to recommend a close down of Canfarm, either at the end of December, or possibly the end of January, in order that they can finish up the year-end business somehow with a skeleton staff.

Mr. Thacker: Mr. Chairman, I was quite alarmed with what the minister just said vis-à-vis Canfarm. While I hear him blaming the farmers, the co-ops and the provincial governments, I think he will agree, in all fairness, that the government has entered into a three-year agreement with respect to Canfarm and it is really pulling out the plug after two years. That affects the degree of confidence which farmers have with respect to getting into the program. It seems a shame that the government would pull the plug now when Canfarm has just gone through a very extensive advertising program and when they have had accountants and agents in place across the country.

If I understand the minister correctly, I think he is saying that he does not have support from his cabinet colleagues. That ties in with my comments which deal with the role of the department vis-à-vis the Canadian budget—the cheap food policy of Canada and its effect on agriculture and capital gains tax and how that is dramatically affecting our farm community. I believe the reality is that the Department of Agriculture is not receiving the respect and support which it deserves from cabinet. I believe the minister has to bear the responsibility for that. I know how proud he is of his eight-year tenure at the helm of that department, but I think the facts speak for themselves. The department is being systematically downgraded by the cabinet, and we would like to help the minister get that reversed because it is not right.

I notice in the 1980 main estimates that the department had 1.75 per cent of the budget. After the supplementary estimates were received, that dropped to 1.35 per cent in this year alone. I think the minister would agree that is a genuinely alarming situation. I know from estimates in previous years that the departmental percentage was as high as 2.7 per cent and, indeed, I think it was 3.2 per cent in 1969-70.