

to the Government to decide in what sequence its priorities will be put before the House.

Price stabilization is one of the cornerstones of federal agricultural policy, together with crop insurance, research, market development, regional development, inspection and grading.

Since price stabilization is such a basic and important part of agricultural policy in Canada, I think it would be useful to approach the subject by attempting to answer four questions that would put the proposed legislation into context.

First, why is it useful and why are we so concerned about stabilizing agricultural prices?

Second, what are the programs currently in effect and what are the problems?

Third, how does the proposed legislation attempt to improve the situation?

And fourth, does the Bill have the support of the farmers and the provinces?

● (1220)

[English]

The first question is: why does agriculture require stabilization? Agriculture is vulnerable to two major destabilizing forces: first, the natural hazards of production such as frost and floods, insects and diseases; second, market fluctuations. Crop insurance is the federal Government's major vehicle for helping farmers to cope with production hazards. Our major vehicle for helping farmers to cope with market risk is the Agricultural Stabilization Act along with the Grain Stabilization Act.

Prices for many agricultural commodities change on a daily basis, reflecting real or perceived changes in supply and demand. For a non farmer to appreciate what that means, one only needs to imagine going to work in the morning without knowing what you are going to earn or even if you will earn anything at all.

Agriculture is also subject to large cyclical price fluctuations. Farmers frequently see their prices dropping by half from one period to another, while their costs of production continue to rise. Even the most productive producers go into the red in such circumstances.

Of course, agriculture is not the only sector of the economy that exists in such a wide open market environment, but it is one of the very few. It is certainly one of the most dispersed and diverse, composed of more than 300,000 individual operations across Canada. Except for a small handful of these operations—less than one-half of one per cent—these are family farms and our very existence depends on them. That is a very important fact, Mr. Speaker.

In 1983, 476,000 people were employed in farming—4.4 per cent of the Canadian labour force. Only 30 years earlier, that proportion was 18 per cent. The exodus from the country to the city has left fewer farms, but they are larger and more

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efficient. In constant dollars, production per farm has risen nearly fourfold in the past 30 years.

These highly mechanized farms have relied increasingly on off-farm inputs, generating jobs throughout the economy. When one includes processing, distribution and retailing, about one-sixth of all Canadians now depend on agriculture for their livelihood.

Moreover, all Canadians have benefited from the accomplishments of our agri-food industry in that it has provided food for only 16 per cent of disposable income, which is the second lowest cost in the world. At the same time, the agri-food industry has been bringing in more than \$10 billion a year in export revenues.

In summary, we must recognize the central importance of agriculture and its unique vulnerability. As public policy, we must ensure that efficient operations have a good chance of surviving and prospering. That is our best insurance for maintaining a healthy rural Canada, jobs in the agri-food industry and a continuing supply of reasonably priced food for all Canadians.

[Translation]

Second, Mr. Speaker, what are the programs in effect today? I assume that the ideas I have just mentioned would be supported not only by our provincial counterparts but also by all Members of the various legislatures across Canada and even by the Ministers of Agriculture of most countries.

We all agree that agricultural stability is a must, and that is why we now have so many stabilization programs at the provincial, federal and international levels. Indeed, again last evening I attended a meeting with the French ambassador to Canada who agreed that it is imperative for our country to aim at achieving greater price stability here than do other agricultural countries that must rely on export markets, quickly stabilize their prices, and maintain production and exports at certain levels.

Here is now a summary of existing programs. The Agricultural Stabilization Act was adopted by the Progressive Conservative Government in 1958. It set the support price of Canada's major agricultural products to 80 per cent of the average price over the ten previous years. In 1975, the Act was amended—

Mr. Boudria: By the Liberal Government.

Mr. Blais: —to raise the support price to 90 per cent of average market prices over the five previous years—

Mr. Boudria: Under a Liberal Government.

Mr. Blais: Indeed, just before the previous administration began to bring us a series of deficits, from 1975 until this year when we are up to \$226 billion. It is indeed an important date. That was when we began to sink ever deeper into huge deficit