

The farmers just cannot take it. On the one side, the market is soft, they are losing support. But on the other side, they are having to face higher costs and they are having to face higher taxes. Take, for example, the GST. It is going to take millions and millions of dollars out of farm pockets. It is a sad story.

Mr. Cardiff: That's not true.

Mr. Harvard: Yes, it is true. It is true not only for farmers, it is true for almost every Canadian in this country. The hon. parliamentary secretary is denying the comment. All he has to do is ask Canadians. Look at the polls and we will find out who is speaking the truth, and how Canadians feel about the issue of the GST.

Supply management is under attack in this country because of the government. It is possible that in one, two, or three years, the the grain farmers on the prairies may be thrust into what is called a continental domestic market. They have not asked for it but they might get it. The question is: Has the government really addressed this issue? Does it really know the consequences? Does it know the ramifications? Does it know what it is doing to the farmers? No, it does not know what it is doing to the farmers. It has no idea. All it knows is how to tax. That is what it knows how to do. It knows how to tax and it knows how to cut, but it does not know anything about policy, not one little thing.

Do you want to hear something about supply management? I will tell you. This comes from a farmer, as quoted in the *Winnipeg Free Press* the other day, under the heading of "Supply Management". This is what the farmer said. "It is working well for me. You know what you are going to get before you even start, but free trade has hurt all supply managed farmers of milk, eggs and poultry. Just the mention of free trade and the value of turkey quotas dropped from \$1 a pound to 70 cents. For 100,000 pounds of quota, you pay \$70,000. At the farm gate, the actual turkeys are selling for 65 cents a pound".

You do not have to listen to me, you might construe me as a little partisan. Just listen to the farmers. They are telling you that the government is absolutely wrong. The farmers are also telling the government that they

feel abandoned. There is a crisis out there and the government is not recognizing it.

It reminds me of what the Prime Minister said about Atlantic Canada the other day. "There is no crisis in Atlantic Canada". That is what he said. Oh, I know he tried to explain it by saying that there is a crisis only in the fishery. But we all know that if you have a crisis in the fishery in Atlantic Canada, you have got a crisis right across those provinces. It is the same thing when it comes to the prairie provinces. If you have a crisis in agriculture, you have a crisis everywhere.

It is time that the government listened to farmers. It is time that it put its ear to the ground because there is something terribly wrong going on in the prairie provinces and other agricultural sectors of this country.

Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I will stick to the topic as closely as I can and not deal with some of the rhetoric that we have just heard. It is important to keep the farm income situation and outlook in perspective.

In 1989, there was a record high for realized net farm income and the final figures for 1989 are expected to be 13 per cent above the average of the last five years.

Even the prairies' 1988 realized net income was a record high and 1989 income should equal the five-year average. True, the outlook for 1990 is not encouraging, but we must keep in mind that the forecast is very preliminary at this stage. The 1990 crop is not even in the ground at this point.

International grain markets are particularly volatile these days due to low world stocks. Conditions could change dramatically over the next few months. If we look back over a number of years with similar predictions, it has often been the case that it has changed.

The 1990 farm income prospects serve to underline the purpose of the work that has been under way for some time to develop a new long-term predictable stabilization program. This is one of the government's top priorities for this winter.

This government, when it came into office in September 1984, recognized the seriousness of the financial difficulties in the agricultural sector, the complexity of the problems and the need for a number of different