

### Supply

the only place that does not produce enough wheat internally to provide for its own food needs. They find it cheaper and more efficient to buy the grain they require from our ports in Prince Rupert and Vancouver and transport it by water to Vladivostok. That is about the only export market that still exists for Canadian grains at the moment. That has changed the whole equation that we use when considering the marketing of grains.

The Minister mentioned that we are used to exporting about 50 per cent of our production and consuming the other 50 per cent at home. The new reality is that we consume 60 per cent domestically and find outside markets for 40 per cent. Having reached that point, I reiterate the policy on agriculture that the NDP has worked out over the past decade, that is, that perhaps it is time to concentrate on the domestic market while continuing to work very hard on the other markets. Perhaps we should look at the domestic market with more hardheaded business sense in an attempt to utilize it to meet the income requirements of farmers in a better way than we have been doing.

We have basically been permitting the world market, which is a very cut-throat situation to begin with, to set the price levels. We then back off with the transportation costs and arrive at a domestic price that Canadian consumers will pay. As a result of the transportation differential, it is usually less than the foreign price. Through this method of pricing, Canadian consumers have been getting an extremely good deal.

There are only a few commodities on which the pricing situation has been reversed. Parliament has given farmers in the dairy and feather industries the authority to establish domestic prices that are fair to consumers as well as to farmers. Under those pricing arrangements, which they file each year with the National Farm Products Marketing Council, they have the right to recover a fair return on their investment equivalent to the national average industrial wage. This is fair and allows the producers of those commodities the hope of surviving in the current economic times. Producers who are paid world market prices, accepting the fluctuations which go with that situation, now have virtually no demand for their products and are facing great financial hardships.

One of the best financial assessments of the Government's first year in office was written in a very succinct fashion by one of the Government's own agencies, the Farm Credit Corporation. In the Farm Credit Corporation's quick business analysis of the Government's first year in office it points out that farm asset values declined by 12 per cent in the past year, outstanding farm debt increased by an additional two per cent, and gross farm sales declined by 5 per cent. This does not sound like a growing agricultural sector. It does not sound like the Government has been doing very much to improve the situation.

In fact, if you do similar analyses for previous years, you will see that there was only a 5 per cent or 6 per cent decline in farm asset values in 1984 and that debt increased at about the same level, but that farm sales had at least increased a little

bit. While I will admit that the problem has built up over time, the Government, with all the best intentions in the world, has been unable to stop the rapid decline in the fortunes of Canadian farmers despite all the attention it says it has paid to agriculture.

When looking at the long list of things which the Minister says he has done for agriculture I find some very creative accounting.

**Mr. Benjamin:** You mean cooking the books.

**Mr. Althouse:** Yes, what my friend, the Member for Regina West (Mr. Benjamin), says is probably true. The Government says that it has given almost \$2 billion worth of aid to agriculture in its first year in office. The numbers are all here. One of the bigger aid packages is \$520 million paid through the Canadian crop insurance scheme which has been in place for years. That money would have been paid regardless of which Government was in power or whether any Government was in power. An interim payment of \$450 million through the Western Grain Stabilization Act was made. Payments of about that amount will be made again this year. Without government interference they would have been made this November rather than last May and June, but the amount would have been the same. The change in the legislation expedited the payments but did not change the amount. That money would have been pumped into the pockets of Canadian farmers regardless of which Government had been in power or, indeed, whether any Government had been in power. If we had been in the midst of an election, that money would still have been automatically paid out.

I hasten to add that both of those programs are paid for, at least in part, with the money of farmers. One-third of the funds paid out through the Grain Stabilization Act are raised through premiums paid by farmers. Fifty per cent of the money paid out in crop insurance is raised through farmers' premiums. Included on the Minister's list is the announcement of the final payments on the three Wheat Board grains. There is no Government money involved in that. It is simply a matter of finalizing the annual sales, closing the books, and paying the surplus back to the farmers who produced the grain. Those are the kinds of things included on this great list.

However, the production of great lists will do nothing to attack the real problem. Again, I must congratulate the Minister for finally recognizing that we are faced with a market of surpluses. Apparently, his officials have not recognized this because the White Paper which he presented to the Ministers of Agriculture in St. John's, I believe, followed the opinion that there are many hungry people to be fed and a world market to be filled. His officials have not yet come to the conclusion arrived at by the Minister.

● (1450)

In the time I have remaining I would like to outline how I believe we could deal with the reality of this market of surpluses. I believe that we should give priority to the remaining 60 per cent of the domestic market which should be ours to