

Just recently we debated Bill C-36, the Advance Payments for Crops Act to eliminate the subsidy for interest payment under those crops and the interest free part of the prairie advance payments was also eliminated under Bill C-36. That is here in the Nielsen task force report. This plan has been in place for a long, long time. I cannot understand for the life of me why in the world the government did not make this available and talk about this a little over a year ago during the federal election campaign.

Little did the farmers know what was in store for them. The fuel tax rebates as well are being hit hard under this last budget. Then, of course, the national marketing boards and the Marketing Agencies Act are being hit. One of the clinchers is to eliminate the present structure by eliminating all dairy subsidies and putting them under the Farm Products Marketing Agencies Act.

I think that we should be looking at all of this in context and just wondering what is going to be cut next. We do not have much left in the list here, just the privatization of the Farm Credit Corporation and then, of course, the dairy. Why did they not tell the farmers who were here on Parliament Hill protesting on November 22 what they were really intending to do?

Mr. Milliken: It is an embarrassment.

Mr. Ferguson: It is a tremendous embarrassment, but I think the farmers have a right to know. It is little condolence to the thousands of farmers who are not able to afford Christmas this winter.

I cannot get over the fact that of all the people who were consulted in the formation of this report, as I indicated earlier, there were only two farmers. Literally dozens of people from other sectors of the economy, the food processing industry, from various departments, from the National Farm Products Marketing Council, consumers associations, banking institutions and associations were advising the government on how to set the policies for agriculture. They were the ones who convinced the government that it should cut back on all these programs that have provided a safety net to agriculture in Canada for many years.

I cannot accept the fact that there are so many food processors who are finding themselves behind the financial eight ball in view of the free trade agreement that was brought in January 1. Twenty-two further processing companies have either gone out of business or have

announced that they will be cutting back and going out of business, three within the last month.

Somehow the government has the feeling that if it can do away with the marketing boards and allow these processors to buy the food at a lower cost, everything will be okay. That is not the case because if we look at the amount of wheat that is in a loaf of bread, the cost of that wheat is 14 cents. The cost of wheat in a box of cereal is 11 cents. The box of cereal sells for over \$3. There are three cents worth of wheat in a box of cookies.

A neighbour told me just a few days ago that if we gave them the wheat for nothing, they still could not compete because of what is happening to the food processing industry in Canada at the present time and the pressures brought to bear under the free trade agreement.

We talk about the system in the country to the south of us. We look at what they did in dairy a few years ago when they slaughtered a million cows. A million cows passed through those golden arches and were converted into hamburger. Yet the milk production actually rose during that period.

Then all of a sudden something happened. The returns were so low in the dairy industry in the United States in the last few months, 1 per cent of the producers have been leaving the industry each month. There is a shortage of milk in several states in the United States. These shortages are impacting on the processed cheese industry.

There are shortages in Michigan, in the area north and west of Lansing. If you want to buy milk on a weekend, you have to get it before three o'clock in the afternoon or you do not get any. There is just not enough to go around.

By comparison, here in Canada we have had systems that have served the producers very well over the years. They planned production to our needs within Canada and the potential export markets that we have. It is a system that has given a stable income to the producers and a return on management, risk and labour, the same as any other sector which society has to have if it is going to operate efficiently. We see in this task force report where they are going to eliminate all dairy subsidies and