

The Budget—Mr. McKinley

In the real world, you do not just print money; you earn it. I want to offer an example of how Canadians have shown they can earn money. I use this example to examine what this government has done to help or hinder them. I have chosen an example from my own riding with which I am familiar. In my riding, people have been quietly producing wealth for the country for years, only to see this government squander it faster than it can be produced. I refer to the business of producing white beans. That is not a crop which attracts headlines. It does not have the prominence of wheat, but within several counties of western Ontario, and especially in the riding I represent, it is an essential crop produced, on the average, by about 3,500 producers. It may not be a prominent crop, but white bean production has grown in Ontario by well over two and a half times in the past 15 years, even though the domestic market has declined steadily during the past decade.

What has sustained this industry, is the powerful growth of exports of these beans. Ontario is the world's largest exporter of white beans, having surpassed the United States as an exporter several years ago. Since 1963, the export share of the market has grown from about 30 per cent to about 85 per cent.

In 1975, exports of white beans were worth about \$24 million. This strong exporting position makes this particular crop of considerable interest within Canada's agricultural export picture. It earns foreign currency which is badly needed to save the country from the government. This industry deserves support by the government.

White beans are only one crop of many, and I mention this crop because I know about it. How many other industries in Canada go begging because this government ignores the potential to produce demonstrated by small Canadian businesses?

A study conducted by a Nobel prize-winning economist suggests that the world population will be rising rapidly in the next 20 years and that demand for farm products will be rising at the rate of 5 per cent per year. If the government is serious about its commitment to research and development, let us see its commitment in support for proven research programs from which Canadian producers have benefited in the past and from which they continue to benefit.

We in this party support the idea of stimulating Canadian research and development by private industry, but we will continue to argue for a genuine commitment to research. In terms of many small businesses in this country, the present budget proposals seem more like a pat and a nod and a bid for business support than a fully thought out commitment to move the economy ahead.

Agriculture seems remarkably under-emphasized in this budget, which is surprising since only this summer when the cost paring knife was being wielded, agriculture attracted more than its fair share of attention. Before the summer cutbacks, agriculture accounted for only 1.6 per cent of the government's budgetary expenditure, but it was asked to accept a full 6 per cent of the cutbacks. Whether the government has decided that farmers and everyone else associated with agriculture are already lost votes anyway or whether it simply does not understand how important agriculture is and

always will be to this country, it has done precious little to take advantage of the strength in this industry in its plans for the future.

The milk industry offers another interesting example of how low agriculture figures in the government's mind, or perhaps I should say of how agriculture figures in the government's low mind.

Late last summer a director of the government centre for the study of inflation and productivity suggested that Canada was producing too much industrial milk and that farmers would benefit, while the government would save on subsidies, if industrial milk production was cut by a third. In other words, he was proposing a cut in our gross national product of over \$1 billion, which the National Dairy Council of Canada estimates would cost tens of thousands of permanent jobs. Why did he propose this cut? Because this year we are facing a depressed world market for skim milk powder, and we will have a surplus. If this cutback in production occurs, it might save the government \$130 million in subsidies this year, but it would also result in a cutback in Canadian butter production of 135 million pounds, which the government would then import and sell to consumers. Consumers would save nothing by this proposal. The government would save subsidy money, and apparently it did not look ahead to decide what or who would provide for the dairy farmers who would be put out of business. Again, short-term expediency, a paring down of the government's own expenses rather than a genuine contribution to the economy of the country, seems to underlie the dealings of the government.

The Minister of Agriculture (Mr. Whelan) seems to feel that consumption of dairy products in Canada is bound to drop so that a price rise to producers would merely hasten the process. He has even suggested that dairy men agree with him, although the howls of indignation from that quarter have caused him to invite producers to Ottawa to give him some proper lessons.

This proposed drop of a third of our industrial milk production comes at a time when industrial milk is already in short supply in Ontario. The problem with the international market at the moment has to do with surplus skim milk powder which might, under prevailing circumstances, become a precious and desired part of our food aid to other countries. Yet in Ontario very little powder has been shipped to the Canadian Dairy Commission for some time. Furthermore, under its present milk quota, Ontario is barred from producing even as much butter as it consumes, and it is not producing anything like the amount of specialty cheeses, yogurt and ice cream that it could absorb. It continues to import specialty cheeses with a continued outflow of Canadian dollars—more and more as the dollar continues to sag, of course—when it could be producing them in greater quantity if quotas did not operate against producers. This year farmers were so heavily penalized for over-production, that many have tried to produce less than their allowed quotas. That, with a little help from unco-operative weather and other factors, has led to the present shortage of industrial milk in Ontario.