

### Supply

and well received. We are glad to see him because it puts a personal face to the agriculture department of the Government of Canada as far as the agricultural producers are concerned. I know this role he plays is not only applicable to my district but it is also applicable across the country.

Last July I had an opportunity to visit a community in Saskatchewan where I practised for a number of years as a rural veterinarian. I attended the seventy-fifth anniversary of the town of Carnduff. The Minister of Agriculture was there as a special guest as well. During that period much of Manitoba and Saskatchewan was in the midst of a very severe drought. It was certainly the worst drought I had ever seen in the years that I visited or lived in that part of the country. I must say that the minister's visit was a warm and friendly one and it provided an opportunity for him to see severe drought conditions which existed at that time. In Canada we have regionalization in the political parties at this time with Liberals in northern Ontario, northern New Brunswick, Quebec and much of Ontario, but no government members west of Winnipeg. The New Democratic Party was essentially wiped out east of Oshawa, and the Progressive Conservative Party have only one member in the Province of Quebec. It is, therefore, important for ministers of the Crown to visit these areas where we don't have MPs because information provided by provincial governments and local members is often adverse. The minister does an excellent job of meeting with agricultural groups and this enables him to outline his department's programs.

In Saskatchewan in early July the minister had a chance to outline the drought assistance program for the beef producers which will help them to maintain their herds during the next few years.

When the minister responds, perhaps he could let us know the amount of aid which was provided to Manitoba, Saskatchewan and to northwestern Ontario in drought aid this past year, or what the amount is that is anticipated.

I have mentioned the uncertainties which many agricultural producers face with the rapid increase in inflation and input costs. One of those, of course, is the increase in the costs for fuel.

People who are concerned about the rapid increase in the price of food are cognizant of the steps which were taken in the National Energy Program to moderate the price of input costs for fuel for farm operators. This was a major issue in the February 18 election. If we look at a typical agricultural producer in western or eastern Canada using some 6,000 gallons of diesel fuel a year, during the course of the next four years, 1981, 1982, 1983 and 1984, we can see the added costs of the former budget brought in last December 11.

● (1700)

The added cost of the Crosbie budget, if we compare the budgets for those four years, would be approximately \$780 in 1981, \$780 in 1982, \$2,820 in 1983, and \$3,840 in 1984. We therefore see that the average agricultural producer who uses 6,000 gallons of diesel fuel would have an added cost with the December 11 budget, compared to the National Energy Pro-

gram, of \$8,220. If it were just a simple case of that cost being passed on to the producer, it would have a drastic effect on the cost of food. However, it probably would not happen that way. In actual fact much of that cost would not be passed on to the consumer but would have to be borne by the agricultural producer. With all the uncertainties he already faces and an added cost of some \$8,000 over a four-year period, or some \$2,000 a year, my guess is a large percentage of that would come out of the producer's income.

At the same time, if we look at the National Energy Program we see that the cost of natural gas over that same period would rise dramatically, 13 per cent in 1981, 17 per cent in 1982, 65 per cent in 1983, and 71 per cent in 1984. Natural gas, of course, is a prime component for nitrogen fertilizer. Again we would see agriculture producers facing a much higher input cost for fertilizer as well as fuel costs under the former budget of December 11 than with the price and tax regime outlined in "The National Energy Program." It is important that the input costs of agricultural producers be reduced by that amount, so that the consumers ultimately benefit. I would be interested in knowing if the Minister of Agriculture has assessed the impact on the food costs and the pricing regime for diesel fuel and fertilizer, comparing the National Energy Program price and the pricing regime outlined in the Crosbie budget of December 11.

With regard to the renewable energy portion of the National Energy Program, how much and what kinds of research will be carried out by the minister's department? There should be a massive increase in research on renewable energy. What amount of research will be carried out and on what specific projects with regard to biomass, gasohol, ethanol and other manufactured fuels under the renewable energy portion of that program?

There is another question I want to raise with the minister. A letter was sent out by the Ontario Milk Marketing Board indicating that severe and drastic changes are going to be made in the Canadian Dairy Commission policy at the end of this year. Will the minister clarify this situation? Representatives on the Ontario Milk Marketing Board from some areas of the province at least are expressing concern to their elected representatives. I would appreciate it if the minister could clarify that situation. The Canadian Dairy Commission policy has been beneficial to our agricultural producers, both in stabilizing and improving their net back position. I want to leave time for the minister to respond to the three or four questions I have raised during this period.

**Mr. Whelan:** Mr. Chairman, I first want to comment on the supposedly drastic cuts for dairy farmers in the industrial sector. In an answer during question period I said that was not true. I say again it is nonsense, especially when we consider the requests coming to us from other parts of the world to supply more dairy products. Prices are increasing for these commodities. The over-all position of the dairy industry in Canada is probably one of the healthiest in the world. Not only is the industry healthy, but also the total national herd. We are