

tion to the national economy, a contribution that is substantial, I might add. In terms of trade, for example, the agriculture industry contributes some \$4 to \$5 billion annually in surplus foreign exchange.

Federal and provincial Governments have adopted a wide range of programs to help the agri-food industry. In total, at the federal level, nearly \$2.5 billion annually is spent on agriculture. In ballpark figures, this includes \$60 million in stabilization payments, \$300 million in dairy subsidies, \$160 million for crop insurance, and that will be closer to \$186 million this year, \$250 million on research, \$220 million on inspection and regulation, \$650 million through the Crow benefit, and \$110 million through the Western Grain Stabilization Act. Then there are the many market development programs, including advance payments for crops, which provide around \$450 million a year in interest-free cash advances to farmers. There is also feed freight assistance to feed-deficient areas.

There are also the federal-provincial agricultural subsidiary agreements under which we encourage market development, technology transfer, and improvements to the natural and human resources of agriculture. Designed in co-operation with the provinces, these programs are tailor-made to deal with problems that are specific to each region of the country.

Let me return for a moment to crop insurance. It is one of the best examples of federal and provincial Governments and the producers co-operating to provide support where it is most needed. While most areas of the country enjoyed reasonable growing conditions last season, the Prairies were hit by a combination of serious drought in most areas and floods in some areas.

Last year more than 118,000 farmers insured 37 million acres of crops, for a total of \$3.4 billion. Premiums, with the producers paying half, came to \$331.2 million. Payments to farmers for 1984 crop losses exceeded \$521 million. In other words, for an investment of about \$165 million, farmers ensured a cash flow of more than \$521 million. Needless to say, most of that went to prairie farmers hit by the drought, \$257 million to Saskatchewan, \$205 million to Alberta, and \$29 million to Manitoba.

At the same time, a Government must remain flexible to deal with special situations. The severity of the conditions on the Prairies last summer warranted extra action, and we entered into agreements with the provinces for a Prairie Livestock Drought Assistance Program to help some 30,000 livestock producers affected by the drought. This program pays \$48 per head for cattle and \$10 per head for sheep in zones designated as being severely affected by the drought, and \$30 and \$6 per head in moderately affected zones. Producers will share some \$63.5 million in benefits, with the federal Government paying half of the costs.

Similarly, we are sharing with the provinces the cost of flood support programs that will provide about \$15 million for farmers in northeastern Saskatchewan, and we are working out details for a similar program in Manitoba. A program for

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1983 forage crop losses in Quebec has already been announced.

Crop insurance has been successful because it is the kind of program that farmers share in and understand. It is voluntary and it is contributory and leaves the farmer free to make his decision based on his own management style and resources.

Producers have indicated they would prefer that same system for stabilization programs. Amendments have recently been introduced to the Agricultural Stabilization Act to reflect that view. Even a cursory examination of the present stabilization program shows its flaws. Farmers do not know how much support they will get under the program until long after they have made their production and marketing decisions. It is a case of justice delayed is justice denied. Furthermore, under the present program, farmers often receive their stabilization payments just at the time when market prices are recovering. That is not only bad timing, but it can also distort production decisions.

The new program, which Members will be able to discuss in detail before the Agriculture Committee very soon, will be prompt, it will be voluntary, and it will provide an improved level of support without costing the federal Government much more than the current program. In short, the new approach to stabilization will be in keeping with the whole thrust of this Government's fiscal strategy to spend smarter, not more. That same approach will be reflected in amendments we propose for the Western Grain Stabilization Act. An interim payment in the spring will help farmers with cash flow at the critical time when they are making their planting decisions.

To summarize, it is clear that farmers understand their fundamental responsibility for the success of their operations. Secondly, an extensive system of supports is already in place. Finally, new, innovative programs and policies are being developed by this Government to provide more effective protection and encouragement for farmers, but in a more economical fashion.

Mr. Deputy Speaker: Are there questions and comments? If not, we will resume debate.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, very simply, let us go to what this debate is all about. It is designed to spur this Government into some form of action. The time has come for all the paperwork, all the rhetoric, all the grand promises and exaggerated commitments to come to an end and for the Government to do what it was elected to do, which is to take some action on behalf of farmers who are facing some very immediate, very critical short-term problems.

It is all right for the Hon. Member for Prince Albert (Mr. Hovdebo) to talk about the need for some far off global strategy to solve ultimately and finally the problems of the farmers. However, at this very moment, farmers in various regions of Canada are facing very specific and immediate problems and they are looking to this Government to provide some leadership which, until this point, has been totally lacking. It has not been lacking because of any great sins of commission; the Government just has not done anything. It