

tion to retailing to farm machinery manufacturing, and so on. The agri-food industry generates billions of dollars of income. As a matter of fact this year gross farm income alone will surpass \$15 billion, and when you take into account that every dollar made in farming is multiplied by three as it works its way through the economy, the impact on all of Canada is significant.

One of the more important factors of late for the Canadian farmer has been the stabilization of the marketplace. The Canadian consumer has been given the opportunity to buy food, good Canadian products at a reasonable cost, while at the same time the Canadian farmer has been able to depend on a reasonable return for his labour and investment most years. To take the peaks and valleys out of farm markets and deliver more in the way of confidence for the Canadian farmer has always been one of the priorities of my department.

We have instituted assistance programs on several fronts that include transportation, storage, and insurance. We have made payments under the Agricultural Stabilization Act when farm prices have fallen drastically. The Agricultural Products Board has bought and processed surplus fruits and vegetables when this action was needed to stabilize prices.

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But the bottom line has always been to create an atmosphere of stability. Another example is crop insurance. This year Canadian farmers increased their crop insurance coverage by about 30 per cent. Our higher spending on crop insurance in 1980-1981 represents about \$23 million of the more than \$62 million requested in the supplementary estimates. I feel crop insurance is one of the major security blankets farmers have to provide real income stability.

In many parts of Canada people do not realize who pays for crop insurance. The Government of Canada pays 50 per cent of the producer's premiums. The producer pays the other 50 per cent, and the administration is run and paid for by the provinces. In some parts of Canada you would think the federal government had nothing to do with this insurance program. For instance, if you read the brochures on crop insurance in Saskatchewan, you would hardly know that there was any federal participation in it.

**An hon. Member:** You are learning from Fleming.

**Mr. Whelan:** Crop insurance is there in case there is a disaster. When the funds run out we have to make up 75 per cent of the funds to be raised in the event there is not enough in the fund itself. Many people are not aware of that fact either.

In addition, this past year there were other programs to help farmers faced with crop losses. These included the Herd Maintenance Assistance Program and the Fodder Procurement Program, and other federal responses to the drought in the west and in northwestern Ontario. The Fodder Procurement Program, which is administered by Agriculture Canada, could cost about \$16.8 million, but we do not think the amount will be that high. However, that would be the utmost. The

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herd maintenance program is administered by the PFRA. This program will cost over \$60 million to maintain the herds in western Canada, particularly in Saskatchewan and Manitoba, part of Alberta, and also in part of northern Ontario.

The popularity of several other Agriculture Canada programs has meant that an increase in funding was necessary. For example, growers of storable crops have shown a great deal of interest in the Advance Payments for Crops Act, and have increased their involvement to an extent where \$3 million will be needed to cover the interest payments on these loans to farm co-operatives and commodity boards making advance payments to their members. This \$3 million is because these funds are interest free.

These funds are being used more and more extensively all the time. We instituted this program four years ago. It helps farmers make payments for farm operations that year without distress selling. British Columbia uses this program more than any other province or part of Canada. People in British Columbia are now in a position, using this program and also the fruit and vegetable construction financial assistance program, to assist the industry in constructing storage facilities. They told me the other day that B.C. will be exporting more this year than before, even though the competition is rough.

Last year B.C. exported apples to 34 countries. That is as a result of this program which this fiscal year will require more than \$3 million to cover the cost of the program. I would not be surprised if they are back to ask for more money because of the applications which we have already received for this assistance in building storage for fruit and vegetables.

At the outset of my remarks, I said that the Canadian farmer's record of achievement under adverse conditions has been remarkable. One factor that has gone a long way to help has been Agriculture Canada's involvement in research and development. Our scientists are working to develop new plant strains and superior livestock, so that the Canadian farmer will have even harder and more efficient raw materials and livestock to work with in the future. At present Agriculture Canada conducts about one half of the agricultural research performed in Canada. The division is shared 98 per cent by government, and 2 per cent by provinces. The rest is covered by universities, etc.

As a matter of fact, although there have been recent cuts in departmental expenditures we have protected and increased the budget for the research and development component of departmental activities. This year our budget was nearly \$155 million, or about \$5 for each man, woman and child across the country. But if you are just relating it to a per capita expenditure for those people involved in the agricultural sector, the figure then is closer to \$122 per person.

I am proud that our involvement in the research and development field represents one of the highest dollar figures and one of the best results of any country in the world. I strongly support the federal government's plans to increase over-all research expenditures from .9 per cent of the GNP to 1.5 per