

*The Budget—Mr. Danforth*

The government has to decide whether these industries should be retained in Canada and what methods it can use toward that end, whether it be by subsidy, tariff measures, quotas, or something else. A policy has to be determined. The agricultural industry cannot make long-range plans based on the policy announcements of this government. Farmers are not coming to the government seeking handouts. All they are asking is a political climate that will enable them to make a fair and equitable living on their own.

Farmers see announcements by labour unions involving wages of \$2.50, \$3, \$3.50 or \$4 per hour. They read announcements about parity with United States labour rates and as a result they wonder what is going to happen to themselves and to Canada. Will we become classed among the poor and the needy? Where is the farmers' status in the Canadian scheme of things?

Farming in Canada is undergoing tremendous changes. At present over 40 per cent of our farmers are part-time farmers. In order to educate and feed their families they must engage in other labour because they can no longer make enough money off the land. We must realize this fact and take steps to make it possible for them to take advantage of farm improvement loans in order to increase their own efficiency. Changes in legislation may be necessary to make it possible for farmers to get such loans even though a large part of their income at present may not be derived from agriculture.

• (4:20 p.m.)

The government has patted the farmers on the back for achieving increased efficiency and productivity, but each year farmers are getting farther and farther behind economically. There is no question that greater efficiency and increased production are being achieved. Production this year is up 9 per cent over last year. When one takes into account the reduction in the number of farms over the last 20 years one finds that during the last ten years the efficiency of the Canadian farmer has increased by 122 per cent. During that time the number of farms fell from 732,000 in 1941 to slightly more than 430,000 today. When we talk about the increased efficiency and increased production, let it be noted that in Ontario in the last ten years there was a 37 per cent increase in output with a 32 per cent decrease in farm workers on 5 per cent less land. I believe this is an efficiency of which the farmers can well

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be proud. There was a loss of over 100,000 farm labourers in the farm industry. The farm labour population in the last ten years has dropped from 13 per cent of the labour force to 7 per cent of the labour force.

What about the cash return to farmers? I found out that in 1964 total cash receipts for the farms of this nation were in the order of \$3,500 million. In 1965 this figure had increased to \$3,775 million, an increase of 8.2 per cent which was then a record high. But when we look into the situation we find that farmers last year borrowed \$201 million in farm credit compared with \$13 million ten years earlier. In farm improvement loans they borrowed \$202 million. So in order to farm today they have extended their borrowings by \$400 million.

When I speak of the total gross cash receipts of farmers today I should like to point out that I looked into something else. I asked the question, how was this achieved, and I found that in the period 1954 to 1958 the average investment of farmers in farm capital was approximately \$10,679 million. I do not very often indulge in quoting statistics in my speeches, Mr. Speaker, but at this time I should like to give a little of the economic picture to show what is going on. By 1966 this investment had increased to \$17,282 million or an increase, if my figures are correct, of approximately \$6.5 billion. This was the increased investment of farmers in their holdings. How did their returns vary? In the period 1954 to 1958 the average net income per farm—and this is worthy of note—was \$1,145 and in 1966 the average net income return per farm was \$1,995, an increase of \$850 in the net return per farm with an increased capital investment of \$7 billion. If the average return per farm today is only \$1,995, just think how poor a living farmers in the maritimes and the rural areas of Ontario and Quebec are making.

Canadian farmers talk about the cost-price squeeze. This is what they are fighting. This is what gets them up in arms. The cost-price squeeze means that their returns for what they sell are becoming less and less while their expenses become more and more. I looked into this problem. The figures to which I should like to refer appear on page 37 of a Department of Agriculture publication entitled *Canadian Farm Economics*. These facts and figures are interesting indeed. I should like to refer to the indices by which the increase or decrease in the economic returns today are measured