

Agriculture

for those of us who have some regard for this institution and a regard and concern for our parliamentary system in Canada. It is a particular privilege for me on this occasion in that it is the first time I have had the opportunity of being the lead speaker on an opposition day. I should like to thank my party for this opportunity which I very much appreciate.

I am also very pleased to have the opportunity to speak this afternoon on a topic that is very dear to my heart, and that is agriculture. This is a topic that is of very real concern to a lot of Canadians. It is of concern for many reasons, not only to us as producers but also as consumers.

Unfortunately I think a lot of us take agriculture in this country for granted, yet whether we like to admit it or not, it is very important to us. I would point out—this has been said many times but I think it bears repeating—that without an efficient agricultural sector in this country we would not be able to enjoy the standard of living we now enjoy. It is well known that Canada and the United States are countries that spend the least amount of disposable income on food.

I see that the Minister of Agriculture (Mr. Whelan) is listening intently. I hope he stays throughout the duration of my remarks because at the conclusion I want to put some suggestions to him on what we can do to improve Canadian agriculture. I know the Minister of Agriculture has quite frequently emphasized the fact that we in Canada spend a very small percentage of our disposable income on food.

Without an efficient agricultural sector in our country we would not be in that position and we would not be able to enjoy such things as the common 40-hour work week and holidays with pay. People in countries like India use upwards of 50 per cent of their total effort to provide food, and they do not have time to do the things we do after supper. Many are out working in their fields and gardens in order to feed themselves. We do have a lot to be thankful for in terms of the efficiency of agriculture in this country.

The agricultural industry is not only efficient in feeding the country, it is also an efficient sector of our economy in earning foreign exchange. We are going to export something like \$8 billion in agricultural products this current calendar year, during which time we will import roughly \$5 billion in agricultural goods. This means that Canadian agriculture has a surplus as far as our balance of payments is concerned. This is very important in assisting our foreign exchange, the value of our dollar and our interest rates.

It is everybody's concern in this country that we encourage agriculture to not only remain efficient in supplying our food, but to earn as much foreign exchange as possible, and by doing so help our interest rates and the value of our Canadian dollar, and thereby lower the inflation rate.

Agriculture is an all-important sector in our economy. I could go on and give some additional statistics. For example, it is the third largest manufacturing industry in the country. I think I have said enough to make the point. Most people will agree that agriculture is very important and, in many ways, a dominant sector of the Canadian economy.

What has been happening in the last few years? I go back to the time the present minister became Minister of Agriculture in 1968. I see the minister shaking his head.

Mr. Whelan: 1972.

Mr. Mayer: I am wrong; the minister says 1972. I cannot blame him for sins committed before 1972, but there are many to blame him for since 1972. I do not think this will slow us up at all in some of the things we have to say about him later on.

• (1510)

What has been happening since this government has been in power, leaving out the few months in which we had the privilege of forming the government, is that agriculture has been suffering many ill effects. I think we would all agree that the main one today is interest rates. Agriculture is very dependent upon interest rates because it is a large user of capital. One of the ways in which it uses capital is to create jobs. I have some agricultural figures from Statistics Canada for 1979. These statistics point out that the agriculture industry needs approximately \$56,000 to create a job. In the manufacturing industry, \$37,000 is needed to create a job. This need for capital is one of the reasons agriculture has become very efficient over the last number of years. It has used large amounts of capital to increase its productivity.

Another reason the agriculture industry is affected more than other industries in Canada is that agriculture is the only major sector in our economy that finances itself internally. It finances itself from its own revenue-generating capacity. It does not go into the market like some resource companies such as Imperial Oil or some other large companies listed on the stock exchange. The agriculture industry finances itself by and large from earnings it has generated. It finances itself by going to the banks, credit unions or other institutions such as the Farm Credit Corporation. It borrows money which it has to repay. Other industries finance themselves by going to the market and taking an equity position by selling shares or bonds payable over a period of time. For those two reasons, agriculture is very dependent upon capital.

I point out again, and I hope the minister is listening, that agriculture is dependent upon capital because it is a large user of capital needed to generate a job, and it is very dependent upon interest rates because it generates its own capital and has to repay it from internal earnings.

When the economy is faced with high interest rates the productivity of the agriculture industry is crippled. I have figures from two categories which bear that out. First, interest on farm indebtedness. This is looked at in two ways; proportion of operating expenses and depreciation, and percentage of farm cash receipts.

Statistics from 1956 show that interest on farm indebtedness as a percentage of operating cost was 4.3 per cent. Farm cash receipts as at 1956 amounted to only 2.8 per cent. This 2.8 per cent of total cash receipts in 1956 was used to pay interest on farm indebtedness. Moving forward to 1966, this figure of 2.8 per cent of total farm cash receipts jumped to 4.7 per cent, not