

conducted by the Ontario Federation of Agriculture suggests that farmers have borne about 25 per cent of the over-all cost reductions consumers have enjoyed during the recent Ontario supermarket price war. The Ontario Federation of Agriculture food basket survey found that by November 11, three weeks into the price war, average supermarket prices for specific products dropped \$2.61 or 6.1 per cent. The farm gate equivalent value for those products in the basket dropped 65 cents. Hence, the results suggest the percentage of savings was taken from farm products, as the Ontario Federation of Agriculture explained in a news release. The largest dip came in the red meat component. Its retail price dropped \$1.47 a pound while the farm gate equivalent fell 83 cents.

I also think it should be brought to the attention of the House that in 1979 the cost of fuel to the farmer to work his land, from planting to the elevator, was \$7.00 per acre. In 1980, this figure rose to \$10 per acre. In 1981, the cost of fuel to the farmer increased to \$15.50 per acre.

Diesel fuel in 1979-80 was approximately 40 cents per gallon. Today, it is \$1.39 per gallon. Fertilizer costs to the farmer will increase this year from 10 per cent to 12 per cent. Farmers will be forced to cut back on the amount of fertilizer they use. Production will decrease. World food supply increased by only 2 per cent over the past several years, while the world requirements have increased by 3 per cent to 4 per cent. It is interesting to me that in the fall of 1979, the Liberals were worried about high interest rates when they sat in opposition. The present Minister of Regional Industrial Expansion (Mr. Gray) speaking before the Commons Finance Committee on October 30, 1979, had this to say with regard to interest rates at that time:

—your high interest rate policy would slow down the economy: it will mean the loss of thousands of jobs; it will mean increases in the cost of living. It will probably bring the housing and construction industry to a halt, with thousands of jobs being lost in those sectors.

Then he went on to ask the government, "What are you going to do about it?" Then, in the *Toronto Star*, on February 10, 1980, the present Prime Minister (Mr. Trudeau) was quoted as making the following promise during his election campaign. He said that the government would "manage the economy in such a way that interest rates would in fact come down—because the economy would be administered in a sounder way."

On December 13, the Liberals and New Democratic Party joined forces to defeat the Progressive Conservative budget in the House.

An hon. Member: The people of Canada did.

Mr. Hnatyshyn: It is hard for you to remember this, but listen.

Mr. Scott (Victoria-Haliburton): I want to read this for the benefit of the two parties sitting side by side, the Liberals and the NDP. The Liberal budget motion, as amended by the NDP, reads:

Farm Loans

—this House condemns the government for its budget which will place an unfair and unnecessary burden of higher gasoline prices, higher fuel oil prices, and higher taxes on middle and lower-income Canadians—

An hon. Member: Look ahead, guys!

Mr. Kempling: Same old gang, all socialists under the skin!

Mr. Evans: Don't get upset. They've come as far into the future as 1979. That's big progress!

Mr. Scott (Victoria-Haliburton): It states further:

—and this House unreservedly condemns the government for its outright betrayal of its election promises to lower interest rates, to cut taxes, and to stimulate the growth of the Canadian economy, without a mandate from the Canadian people for such a reversal.

We came back under a new government, and we had great expectations; but interest rates are higher now than they were at any time then. They have doubled and tripled. I received a letter from one of my farming constituents asking me about this situation. The constituent wrote:

Dear Mr. Scott,

I'm writing to you in desperation, hoping to save our farming business before the bank takes everything we have worked for in the last 20 years. There is no way we can stay in business with the high interest rates and low beef prices, also if we turn to cash crop it's no better. Our only hope for survival is to sell, but there are so many farms for sale it's going to take a while—

It will take a while to sell their farm. He continues:

—while our interest rates keep putting us in debt further. You have probably heard this from many other other beef farmers. I'm hoping you could talk to Mr. Whelan (Agriculture minister). Or what about Lorne Henderson (provincial agriculture)? Even Mr. Trudeau who is responsible for the high bank interest rates—

It is the government which promised us so much. We are all important people, no matter what some would have us believe. The letter goes on to state:

But we are an important part of civilization. Who can live without food? I understand the Quebec farmers are not in dire straits, like the farmers in Ontario (pork and beef). They are subsidized by the Quebec government.

A copy of my constituent's 1980 income tax return was enclosed for my perusal.

An hon. Member: That's a big word, isn't it?

Mr. Scott (Victoria-Haliburton): Yes, it is a big word, that is right. These are some of the things we all faced during our recess from Parliament. We probably should have been here, attending to the nation's business. This is probably why we were not here. People today, not only the farmers, but also all we home owners, are facing conditions which they were never facing before. These conditions have been caused by a government which probably has not faced up to the situations affecting our Canadian people. The Canadian people deserve more than this. The small business community has promised to assist farmers, such as the farmer I just quoted, and I will not divulge the name. He was told to go to his bank manager, which he did. His bank manager in turn took him to the head office in Toronto, but there was no help forthcoming. This man, along with many other people, is supposed to receive help from the Small Business Development Bond. A few moments ago, the hon. member for Prince Albert (Mr. Hovdebo) asked