

*Agriculture*

● (2120)

I would like to draw retail food prices as of October 15, 1981, to the attention of the House. Beef prices were down 4.6 cents, although live cattle prices in Toronto had remained unchanged for a few weeks. However, this was the start of the price war among supermarkets. Pork prices were up by one point, but retail pork prices, they say, are likely to come under downward pressure, as 100 index hog prices in Toronto fell by \$5.15 per hundredweight during the first two weeks of October. They too are heading into difficulty. Poultry meat prices are up slightly, reflecting the termination of Thanksgiving specials on turkeys. The price of eggs is up by 0.1 per cent, and the index there is expected to remain steady during the next few weeks and several months ahead. Dairy product prices are up only 0.9 per cent, and they are expected to remain steady. The price of vegetables is up 4.2 per cent due to higher prices, again for imported fruits and vegetables.

In closing, I suggest to members of the opposition that the Minister of Agriculture has other legislation in the works. He would like to have it introduced to relieve pressures on the farmer. The best help we in Parliament can provide to the farmers of Canada is to allow the government to proceed with its workload, to pass Bill C-48, and to get on with other pressing legislation, which will relieve the pressures on the farmers of Canada and allow them the stable incomes they so richly deserve.

**Mr. Don Blenkarn (Mississauga South):** Mr. Speaker, it is interesting that the hon. member for Lambton-Middlesex (Mr. Ferguson) should say we should get on with Bill C-48. I would have thought he would realize that if we defeated Bill C-48, the Canadian dollar would show some real strength in the marketplace, interest rates would come down, and it would not be necessary for this government to continue to have a 5 per cent interest differential, as is presently the case, with the United States. It is this very program of the government which caused us to bring forward the motion we are debating tonight.

The hon. member for Lambton-Middlesex did make some excellent suggestions. He said that the price spread on beef had changed dramatically. I would have thought he would make that suggestion to the Minister of Consumer and Corporate Affairs (Mr. Ouellet). The minister has been in charge of that department off and on for a long period of time. Perhaps now that the hon. member for Lambton-Middlesex is Parliamentary Secretary to the Minister of State for Small Businesses and Tourism, he will investigate supermarket price spreads. Whether he knows it or not, the province of Ontario is not responsible for interest rates. That responsibility was clearly set out in 1867 as a responsibility of the Government of Canada. There is no point in the hon. member for Lambton-Middlesex, or any other member of this House, suggesting to the people in his riding that it is the province that should be responsible when we have interest rate problems. It is not a provincial matter, it is a federal matter and the hon. member knows it.

**Mr. Ferguson:** How about the other provinces? Co-operative federalism!

**Mr. Blenkarn:** The hon. member refers to co-operative federalism. If we had co-operative federalism in this country, we would have nowhere near the economic problems, dislocation problems and disharmony we have.

One might wonder why a member from a riding with absolutely no farms in it—there is not a chance of a farm, although my constituency did have one at one time—should be speaking about an agricultural matter.

**Mr. Deans:** Why not?

**Mr. Blenkarn:** I agree with hon. members to my left. It is good that we do so because it is important that members from all parts of Canada speak about the interests of farmers. We all like to eat three square meals a day, and we all ought to understand that if we are to eat well, those who produce the food we eat must be able to make a dollar or two. There is no question that farm incomes have reduced dramatically this year and last year and that high interest rates are seriously hurting our farm community, particularly young people coming into the farming community to take over their fathers' farms or other farms. I refer to people such as a young Rover Scout of mine who decided, after working at construction for some period of time—he is a graduate from Guelph—that he ought to go into farming. He used all the money he could save, borrowed some money from his family and one thing and another, and went out and bought a farm. A farm and its equipment and cattle cannot be bought for less than \$300,000 or \$350,000. I do not know how many young men wishing to go into the business will be able, even scrounging at every source, to pick up more than \$60,000 or \$70,000. That means there is not a young man anywhere who can go into this business unless he is prepared to borrow a quarter of a million dollars. If such a young man were so prepared, he would be forced or induced to borrow at prime plus. That did not sound so bad in 1978. At that time prime was 8.25 per cent. Prime plus 1 per cent was 9.25 per cent. That was pretty reasonable. It was less than 10 per cent. However, prime plus 1 per cent today is 21 per cent, and prime plus 2 percent is 22 per cent. On a quarter of a million dollars, the difference is well in excess of \$25,000. That is a lot of money. The difference is the possibility of paying back such a loan, the possibility of keeping a farm going, going bankrupt or not going bankrupt.

Earlier today in his speech, the Minister of Agriculture (Mr. Whelan) said that the banks are wrong, that they should not have lent money at prime plus and that they should have insisted on term loans. Hindsight tells us he is right, but everyone realized that prime plus was a fair way to go. After all, the prime rates in this country did not vary too much. They varied perhaps 1 per cent or 1.5 per cent, but not much more than that. For years and years prime rates in this country remained stagnant. I said that in 1977 the prime rate in September was 8.25 per cent. The rate a decade before was only 6 per cent. There was not much difference. However, what has happened is that this government has lost control of