

*Farm Loans*

important that Canadians in urban areas as well understand, at least in part, what is happening on the farm front.

The minister loves to say that we have the best farmers and the best agriculture in the world, and he would like us to believe that this is true for one reason—because he also feels that the best agriculture minister is resident in this country. That is debatable.

I also believe that, as Canadians, we are fortunate to have people who have the potential to be among the best farmers in the world. I believe many of them are. What farmers are facing today is the prospect that as their costs are rising, their farm incomes are projected to go down. When one studies the Canadian economy, it becomes a very frightening projection for the 1982 crop year.

The Outlook conference which was held just before the end of the year is generally a conference that tries to put forward an optimistic view of the agricultural community for the next year. There is realism but, generally speaking, Outlook conferences try to provide an optimistic view. While that stamp of optimism was attempted to be made in the last conference, every participant knew that the farm economy was facing lower returns and higher costs. The question that is before us today is not merely of a \$50 million increase in money available to FCC. What is before us is the viability of the farm community.

The Minister of Agriculture (Mr. Whelan) knows that while I might be a critical person in the House from time to time, I also attempt to give some views in the hope that we can help Canadians. This is especially true today as we address the farm question. I say to the minister with frankness and honesty that, joking aside, I know he has made serious attempts to improve the condition of the Canadian farmer and the economy in which he has to function. However, I think if he were honest as well—as I know he tends to be—he would have to admit that he is not getting the support he needs within the cabinet. There may be many of his colleagues who give him verbal support, but the fact is—he has almost said so himself in the myriad speeches that flow across our desks—that within the Canadian cabinet, especially this one but generally within the Canadian government structure, the prominence that agriculture once enjoyed has been greatly reduced.

**Mr. Cullen:** I disagree.

**Mr. Epp:** It has been largely reduced. All one has to do is to see how the cabinet is made up compared to the cabinets of the thirties, forties and fifties. In those years there was a much higher rural input than today.

**Mr. Cullen:** We have quality today.

**Mr. Epp:** I am being interrupted by the hon. member for Sarnia (Mr. Cullen). He says they have quality today. Yes, they have quality, but I would tell you, Mr. Speaker, that Canadians are rejecting that quality day after day. We expect more. My point is that the cabinets of the past had a much

larger rural component. Today there is a heavy weighting toward an urban component.

All of us have sat in committees and participated in their deliberations. Some of us have sat in the cabinet room. It is obvious that, no matter what the good intentions are, if the majority of ministers are from one group, the cabinet will tend to make decisions which are in the interests of that group. This will result in the cabinet holding up legislation or not passing it as quickly as possible because of a lack of stress from the majority of cabinet ministers. If the minister were to assess his situation today, he must at least agree in part that this is what is happening in the Canadian governmental structure. This is also true with provincial governments.

I do believe that there is a preponderance of members in the federal government who have an urban mind-set without at least in part understanding what is happening on the rural front.

We see today a deep concern in the farm community about the future in 1982. The first thing that farmers have to face is high input costs. Loans were traditionally made to farmers for one purpose, the purchase of land, buildings and machinery. That was the largest amount, not only in dollar value but in the number of loans that were made. Although this still applies today, there is a new component. It is a feature which we have begun using, and that is line of credit. Today farmers not only have mortgages, they must go to financial institutions to obtain an additional line of credit in order to operate. In other words, they must pay the mortgage and machinery costs as well as pay that line of credit. This line of credit generally runs from year to year and is settled before the next crop year starts. With lower farm incomes and higher interest rates, the ability to pay that line of credit becomes very difficult for farmers.

My hon. friend from Bruce-Grey (Mr. Gurbin), who has just finished speaking, has many constituents engaged in the operation of feed lots and who operate on a yearly basis. They obtain a loan as a line of credit in order to finish cattle for sale at the end of the year. Then they pay back their line of credit with the hope of having some money left over to clothe themselves and pay off their mortgage. That is how farming operates today.

One day during the Christmas break—it was about minus 31 on one of our more balmy days in Manitoba this winter—I was driving down the highway listening to the CBC farm report on the radio. I heard a statement which quoted the FCC as saying that farmers were moving toward becoming millionaires. I looked out at the farms I was passing and, yes, the farmers' equity is higher, but almost invariably their indebtedness has kept pace or even increased with their equity. Statements such as the one I heard bring total misunderstanding between rural and urban Canadians. The urban Canadian automatically says; "There are those farmers who are worth half a million dollars and what am I trying to do? I am trying to pay off my house mortgage." That is a completely erroneous concept of what is happening.