

Supply

consider seriously this concern by young producers, this reluctance on their part to go into debt to buy a family farm.

Today, because of their cost, farms are often sold to foreign interests. There has been a change in outlook and values such that the children have a harder time maintaining the family farm, because of cost and interest rates. The minister could therefore consider implementing a specific policy to help young producers become owners and keep the family farm, a policy dealing with these interest costs which are a terrible handicap for the young who are interested in farming.

The minister is perfectly aware of the long-term situation, in any case, and I think that here and now we must concern ourselves with the interest cost problems those young people will have. I could raise the same concerns about the present situation of small home owners. The industry itself is concerned. The subject being agriculture, let us not stray from it. I try to be very objective in my approach, Mr. Chairman, because those are comments we often hear from young farmers who are wondering where the obligation to borrow sums of \$150,000 or \$200,000 is leading us. At the same time, we cannot help but think that that will indirectly affect production costs, and consequently, the consumer will be directly affected. In the circumstances, I take this opportunity to invite the minister to consider seriously this problem and the future of our young people in agriculture. It is important that young people get increasingly more interested. Some are interested, but the opportunities are limited and right now, in view of the present economic difficulties we all know about, I think interest rates weigh heavily on the future of agriculture. I ask the minister to give the matter serious consideration and try in any case to bring forward a policy that will encourage young Canadians and help them choose agriculture.

I do not know, Mr. Chairman, whether I have a few more minutes—

An hon. Member: One minute.

Mr. La Salle: I have one minute left. I shall give that last minute to the dear minister who has too often complained he did not have enough time to answer. I hope he will seriously consider that last point I made, assistance to young farmers, the commitment to them, and funding is the way. I understand the minister's difficulties, but would he also understand the problems those young people face?

● (1730)

[English]

Mr. Whelan: Mr. Chairman, I just want to say that in different parts of Canada there are different kinds of agricultural production, but in *la belle province*, from which the hon. member comes, the production entity is there. There is only one which I can think of, perhaps two, which does not have some kind of cost-pricing formula. For every dairy farmer who wants to sell out in Quebec, there are three young farmers who

want to enter the business, and they are protected with the cost-price formula for interest rates, etc. There is a subsidized form of interest rates for young farmers in Quebec.

To put the record straight, Mr. Chairman, let me say that we have more young farmers percentagewise in the business. The average age of young farmers entering agriculture is the highest since 1951, if I remember the figures correctly. I do not have the exact percentages but there are more young farmers in agriculture now than many people realize. Those are people who have graduated from agricultural schools and university agricultural courses. We have a higher percentage of those young people entering agriculture now because of the good programs we have established for them.

Mr. Hovdebo: Mr. Chairman, first I want to make a couple of comments, and then I will put my questions on a particular area.

Several times in the last three days I have heard it said that 20 years ago one farmer could feed 30 people. Now one farmer feeds 55 people and 20 years from now one farmer will feed 200 people. I am concerned about that approach because the implication is that farmers are becoming more efficient and productive. Possibly they are on an individual basis, but not a great deal more food is being produced per acre of land. I just wanted to make that comment to start with. I think we should watch what is happening so that we do not push too many of our farmers off the land, saying we have very efficient farmers because one farmer can feed 200 people.

Last year has not been a particularly good year for farmers. In the west we started out with a drought which lasted, in certain parts of the west, until the fall and which affected hay crops in particular. The result was that farmers did not have the kind of feed available to them that they had expected. Also, it pushed up the price of hay for feed in the west considerably, in some cases to twice the price it had been the previous year. Also, prices increased for other products and equipment, as was well documented at the Outlook conference last week. The price of fertilizer increased by 15 per cent. I am using ballpark figures because I did not take note of the exact figures which were given. Fuel and fuel-related costs increased by as much as 20 per cent to 24 per cent, depending on what was included in that category. Wages increased by 10 per cent, machinery increased by approximately 15 per cent, interest costs increased by about 20 per cent, and farm land, depending on the location, increased from 20 per cent to 50 per cent.

The effect of those increases was that the real income of farmers in the last year was reduced by 3 per cent. Actually, the reduction is greater than that because that included a certain reduction of inventory as well. We should put these increases in costs against the income of the farmer. The price of grain has gone up in the last little while but, owing to lack of attention on the part of the present government and the former Conservative government, the actual income to farmers from grain was considerably reduced. Also, the price of beef has not increased sufficiently to cover the cost of production, and the price of hogs dropped considerably.