

one would likely find a much bleaker picture. This research must be conducted to determine the extent of the financial crisis and measure the present and projected economic impact on the overall economy and the social and economic impact on rural Canada.

It is widely held view that the trend outlook is not favourable.

Some of the negative factors include:

- continuing low commodity prices. The world surplus of many agricultural commodities will continue as more and more countries vie for their share of the extremely competitive export trade markets. The result will be even lower commodity prices. A good example is the recent sale of Argentine wheat into the U.S.A. at \$40/tonne under the current U.S. price. Some expect that when the 18% tariff that the Argentine exporter must pay his own government is eliminated the Argentine wheat price will be even lower.

If Secretary of Agriculture John Block is successful in his current drive to eliminate agricultural floor prices in the U.S.A. it is expected that wheat prices alone will drop by about 20% in 1985. This will also have a negative impact on other world commodity prices.

The Canadian prices will duplicate the U.S. prices.

- instability in financial markets and resulting interest rates.

Depending on the Western countries ability to control their growing deficits, the performance of the Banking community to