

Farm Loans Interest Rebate Act

tariff—which it does, with the exception of some rebate on excise tax which is a small portion of the total cost—and it cannot get it back at the other end because it cannot pass those costs on, then agriculture is in a very poor position to face the future.

These are two specific examples where we have an opportunity in Canada, with our resources, to assure an industry, whether it is agricultural or a segment of the petrochemical industry, that we are in a position to provide them some relief so we can get that value added. Much has been mentioned of the export value that we gain from agriculture. We know the whole economy of Canada is perhaps 40 per cent dependent on agriculture, and as many as one-quarter of the population is directly or indirectly employed at some stage in the agribusiness. It is critically important that the primary producer remains competitive. Providing something like an energy tax credit or in some way reducing the input costs at the energy level can have a significant impact on how healthy that industry is. There is no question but that it can be done and should be done. The payoff could be tremendous.

In closing, I would like to say that over the last weekend particularly we in Canada have been treated to an example of, I suppose "reincarnation" might be the most appropriate word, of a leadership which has had some difficulty in coping with, if not in grasping, what are the problems facing Canadians today. If it was understood, there would be some action which would give myself and others a sense that the problems were going to be solved. We know the Prime Minister (Mr. Trudeau) has made efforts in the last several months, in his trip out west and his presentation to the policy conference most recently, to get the pulse of the country and try to find out what his position should be. I do not know, Mr. Speaker, whether he in fact has accomplished his goal. What I have a clear sense of is that, if he was out there, either he was using the wrong finger or he got the wrong pulse. Or we have the wrong Prime Minister.

● (1540)

Mr. Jack Murta (Lisgar): Madam Speaker, it is indeed a pleasure to enter this debate on amendments to the Farm Credit Corporation legislation. It is not too often that members from rural parts of Canada have a chance to debate agricultural concerns and problems here in the House of Commons. From time to time we have a chance to ask questions in Question Period, but as to having a dialogue or debate, not only with Government Members but with each other, that opportunity has not presented itself too often over the past year or so.

I would like to start by saying that I, like other Members of my Party, indeed all Members of the House of Commons, support the legislation we are dealing with this afternoon concerning the Farm Credit Corporation. I think one thing which can be said is that the FCC, because of the tremendous volumes of money which agriculture needs now, is starting to move in the right direction by looking for outside sources of money; in other words, money which is not necessarily coming from the Canadian taxpayer. The Corporation has done that,

of course, by looking to the United States bond market to raise funds.

From time to time, Mr. Speaker, Members of Parliament from all sides have suggested to the Minister of Finance (Mr. Lalonde) other ways of raising money. Some of them were possibly far-fetched, but nevertheless all were based on the fact that agriculture has grown to the extent that it is probably one of the largest users of capital of any industry in the country. It is quite common now across this country to find farms valued in excess of \$1 million with gross product sales of \$500,000 to upwards of \$1 million. If we are seeing that in the early part of the 1980s, Mr. Speaker, I predict that those Members of Parliament who stand here and debate agriculture in the latter part of the 1980s will see a totally different industry from the one we are looking at right now. This will be because of a whole series of changes, such as a drop in the average age of farmers, but mainly perhaps because of the computerized world we are moving into which will have possibly its greatest impact on the agricultural sector because of that sector's tremendous need for information.

It would be great, Mr. Speaker, if we could look into a crystal ball and into the future, but as politicians we have to look to the present, and agriculture is currently suffering probably one of the tightest cost-price squeezes it has ever experienced. This has been brought on primarily for two reasons. One, obviously, is from overproduction, basically in North America and principally because of overproduction of commodities in the U.S., commodities such as grain and oil seeds of which Canada is a major exporter.

Production has over time increased substantially in the United States, but it all started back at the time when President Carter decided to impose a grain embargo on Russia because of its invasion of Afghanistan. At the time it seemed that everyone, including farm organizations in Canada and the U.S., supported the President's move. However, since that time everyone in the agricultural sector, from Versatile Manufacturing, International Harvester and Massey-Ferguson right down to the smallest farmer and storekeeper, has lived to regret the decision to try and use food as a political weapon. This is because what really happened, Mr. Speaker, is that Russia decided not to buy directly from the United States but to buy from other countries such as Argentina and the European Common Market, and it would buy established quantities from Canada. In effect, what Russia did was to leave this huge quantity of American grain production sitting on the international market, hence depressing the price. They have done this very effectively and in effect created a reverse embargo situation where they are now embargoing the American farmers and thereby keeping down the price of grain exported by all other countries.

At the present time there are only two countries which really export grain, Canada and the United States. The Europeans export some, the Australians are not exporting this year because of a drought, and Argentina, traditionally an exporter of grain, has had its production pretty well taken up both last