

Agriculture

Canada that the high interest rate policy is intended to reduce inflation. Both major political parties, but primarily the NDP, have said that, in fact, the high interest rate policy pursued by the government through the Bank of Canada has been adding to inflation and has undermined the economic stability of a significantly large sector of the economy. If the Minister of Finance (Mr. MacEachen) were here he would understand that when we say thousands of people have been forced out of their homes, we mean thousands of people have been forced out of their homes. Anyone with half a brain would understand that is a truism and a fact in Canada.

This is now having an impact on most small businesses because farmers are delaying purchases that should be made. Because of that delay it is, therefore, impossible for the manufacturers and dealers to maintain their position in society. It is also causing untold hardship on the farmers because they must carry high inventory. It is also causing hardship for those who must borrow the money and must pay the 16 ¾ per cent in the one case, or the 20 or 22 per cent in the other case, depending upon the reason for borrowing the money. There is no opportunity for those people to realize sufficient return on investment and sufficient return from the sale of the produce or livestock so as to maintain their position.

I was interested in noting at this self-same Ontario Federation of Agriculture task force hearing that one of those who made a submission said:

"I resent the fact that I produce beef and pork for 1,500 people a year and I can't make a living working more than ten hours a day," said Lyle Peters, a Guelph-area pig and beef producer.

Mr. Peters said an interest rate of more than 20 per cent on a loan of more than \$200,000 left him and his wife with only \$6,000 to live on last year, and they had to buy their clothes at a second-hand store.

It is almost unbelievable, Mr. Speaker, that a person put in the position of having to borrow \$200,000 to maintain a pig and beef operation and who was running what was a viable farming undertaking should find himself and his family, after they have paid back their loan and sold off their produce, left with \$6,000. It takes a bit of understanding to appreciate that that can happen.

Mr. Crawley, head of the Wellington County Federation of Agriculture, went on to tell the task force that he borrowed \$500,000 to finance his hog operation. He said:

If interest rates continue at more than 20 per cent and pork prices do not improve, we will be bankrupt in two years.

I do not think you can put it any clearer. I do not think anyone can write it any better. I do not know how you can say it in clearer terms. The farmers in Ontario whom I am addressing at the moment, but also farmers right across the country, are faced with the most severe financial hardship. They are asked to continue to produce for the needs of the consumer, while at the same time they are expected to carry indebtedness far beyond their ability to realize a return on their investment. The impact of this undoubtedly will result in a further increase in the numbers of bankruptcies that will take place. If we do not keep a viable farming community in Canada, we know we will eventually be at the mercy of those

who will maintain viable farming communities in other parts of the world.

That is the biggest worry for those who look into the future. As you see fewer and fewer viable farms, the food supply needs of Canadians will ultimately be filled by farmers elsewhere. And at what price? What will we have to pay in order to get what we must have to put in the stores in order to feed the people of this country if we are not prepared now to take the kind of action that will guarantee the viability of the farms that currently exist? What will it cost us in terms of dollars that will flow out of the country to produce for our future needs? Is it worth that potential sacrifice in years to come, when you measure that against the cost of providing for farmers' loans and financial assistance at a price they can reasonably afford?

In the present circumstances certain parts of society have to be subsidized. It is absolutely essential. Farmers are not asking for subsidies; they would rather stand on their own two feet. Until we are able to receive sensible financial and fiscal policies from this government, then in the short run it is obvious to me we will have to guarantee the farmers, who must purchase today in order that they can produce tomorrow, will have access to the money they need and at a price they can afford to pay from the sale of their produce.

● (1550)

That seems elementary. I say to Conservative members that they do not have to be farmers to understand it. It is elementary economics. Perhaps it is too elementary for the government. It is common sense. This is something which seems to be lacking in the policies which are being brought forward by the government during this period of time.

Of course, we hear statements that farm incomes have risen. I read with interest the other day that farm incomes have risen. If one reads this and reads no further, one gets the impression that the farmer is doing better this year than last year. It does not tell one that it is talking only about cash receipts. It is not talking about net incomes. It is not talking about the problems incurred by farmers trying to meet additional costs which are a result of high interest rates, high fuel costs, high transportation costs and high feed costs. These costs must be paid out of the increasing receipts.

Last week Statistics Canada released a preliminary net farm income figure for 1980. It showed a shocking decline of 30 per cent in the province of Ontario in net income and 27 per cent in total net income. These figures were for last year. Ontario is second only to Manitoba. In Manitoba the size of the decline in net income was an astronomical 77 per cent. Even if there were a marginal increase in the nine-month period of 1981, when it is measured over and against the dramatic decrease in 1980 it is virtually impossible for the farmer to maintain his position of 1979.

It is to this end that we must address ourselves. Farming in Ontario and across Canada is suffering a cost-price squeeze which is unprecedented in our history. Everyone understands that never in history has it been possible to go broke so big and