

opposition members or from someone off the street. They come from Agriculture Canada.

In Saskatchewan, the province that is going to be the hardest hit, it is expected that farm income will drop 87 per cent. In my home province of Manitoba, farm income is expected to drop 57 per cent. In Alberta, the figure is around 46 per cent.

What is the main reason for this expected diminution in farm income? It is the reduction of the farm support programs of the federal government. In fact, the reduction in farm support programs, which is in the neighbourhood of \$400 million—a lot of money—accounts for 57 per cent, more than half of the expected drop in farm income this year. That is devastating.

Of course, there is this big hassle that has been going on for weeks about the federal government's so-called \$500 million farm aid program. I want to talk about it a little bit more.

I mentioned earlier some of the problems facing farmers including high interest rates. I want to touch on that, because I think you and I know, Mr. Speaker, that the interest rates are skyrocketing. The latest announcement from FCC indicates that some of the rates are now over 14 per cent. That is an enormous burden on farmers who are already in a very difficult situation.

Let me allude to some figures from the province of Saskatchewan. The provincial land security board in that wheat province received 246 notices involving 204 farms in March alone, while the federal Farm Debt Review Board received 193 applications in February. Both of these boards have dealt with more than 7,000 farmers since 1985, and the trend is expected to continue. That is one figure from the province of Saskatchewan which is very disturbing.

How costly and how burdensome are these high interest rates? According to calculations of experts, every 1 per cent of interest cost takes over \$200 million in annual debt servicing costs out of the pockets of Canadian farmers. Every time the interest rate goes up one digit, it is tantamount to taking \$200 million out of the Canadian farmers' pockets. They just cannot afford it.

### Supply

• (1630)

The Manitoba Debt Review Board recently reported that it has dealt with farmers facing \$300 to \$400, or even \$600 a day in interest charges alone. Can you imagine up to \$600 a day in interest charges, Mr. Speaker?

Since 1985, the Farm Credit Corporation has entered into 2,900 recovery actions, and has captured a total of 2,719 farms.

In 93 per cent of its recovery actions, the FCC has settled by taking the land from the farmer. I find that extremely disturbing.

I know that the minister might accuse us of distorting the issue and putting it in darker terms than warranted. But we have to tell this side of the story because we know we are always going to get the rosy picture from a minister of that government. We have a responsibility to give this side of the story. If we do not, we are going to let a lot of farmers down. They want Canadians to know that they are suffering, and of the vicissitudes that they face in every day life.

I spoke about low commodity prices. The Wheat Board announced this spring a reduction of about 12 per cent to 15 per cent. I wanted to mention something about putting some of these commodity prices in context.

There was an interesting piece written by a gentleman by the name of Murray Fulton, an Associate Professor of Agriculture Economics at the University of Saskatchewan in Saskatoon. Speaking of putting things in context, this is what he said about low commodity prices that farmers have to live with. I will read only one paragraph from his piece which appeared in the May 7, 1990, edition of the *Financial Times of Canada*.

To set the record straight, the problem is very severe indeed. Grain prices, when adjusted for inflation, are the lowest they have ever been—even lower than during the 1930s. Poor crop quality and yields in recent years have made the problem worse. Agriculture Canada forecasts that this year, Saskatchewan farm income would be one-seventh the average over the last five years.

That gives us some idea of what farmers are facing.

When farmers heard about the lower prices this spring, they were of course shocked. While I am in the mood of quoting people, I would like to pass along a quote from a farmer in my province of Manitoba, upon hearing about the lower wheat prices. He said: "What