recall when Canadian agriculture experienced such severe and, in many instances, completely devastating financial conditions.

Some might ask why farmers are different, and that is a fair question which deserves an answer. The best answer I can find is one which has been given by Mr. Donald Shaughnessy, a chartered accountant, in his article entitled "Dollars sense". Under the byline "farmers may not survive high cost of borrowing", the first case Mr. Shaughnessy makes indicates that almost all independent farmers are at least in part debt financed. They borrow heavily by necessity to start, they borrow heavily by necessity to operate, and general operating costs are fixed and therefore unavoidable. It is impossible through management to lower those costs significantly. What he means is that a farmer cannot rationally starve or reduce his livestock in numbers or ruin his land.

The second point Shaughnessy makes deals again with an important difference. In farming the revenue-to-asset ratio is extremely low compared with other businesses. This revenue-to-asset ratio is normally as low as one to five or one to ten in farming. In other words, $1 million worth of assets may only produce $100,000 to $200,000 in revenue. In other businesses such as retailing this same ratio normally is two to one or perhaps even three to one. Shaughnessy concludes by indicating that this wide difference in revenue-to-asset ratio means at the bottom line that a general interest rate increase of from 10 per cent to 20 per cent is at least ten times more damaging to farmers than to retailers.

Generally speaking, four problems have contributed to the current financial dilemma in the agricultural industry. The first is the inability for most, if not all, producers to secure adequate returns for their produce in the marketplace. That really should be the fair approach. I had a conversation with one of my constituents last evening, a chap by the name of Jessie Dennis from the east end of my riding, and he indicated to me that if we could only achieve the goal of a fair return—after all, that is where most businesses derive the majority of their incomes—then we would not need a dollar of public money.

The second problem is the ever-increasing costs of farm inputs and particularly petroleum-based products. The third problem is low commodity prices, particularly today, but this has been a problem for quite some time. This is concentrated primarily in the red meat sector. The fourth problem is insidious and astronomic floating interest rates. In far too many cases the latter problem puts the ice cube into the fuel line.

Although a greater degree of financial stability does exist today in certain sectors which are under supply management—that does provide a marketing tool—they are not in any way fully protected against these problems or fully compensated. If these problems continue, producers will continue to lose substantial amounts of equity. In cases of high debt-to-equity ratio operations, financial distress will occur and they eventually will be forced out of business. What I am saying is that given today's conditions it is really only a matter of time.

The operating input cost picture might best be illustrated by providing the following examples, and this is a cost increase comparison between 1970 and 1980 given in percentage terms. The cost of petroleum products went up 166 per cent; mixed fertilizers, up 197 per cent; pesticides, up 243 per cent; feed and seed, up 160 per cent; and—listen to this one—interest, 360 per cent.

It should be noted that these increases do not contain the rapidly escalating increases in 1981 of energy and interest costs. Indeed, if interest costs remain high, and when energy costs double over the next couple of years, these costs will show like increases in about half the time. Total debt on Canadian farms in 1960 was as low as $1.6 billion. In 1970 it had increased to $4.2 billion. In 1979 it increased to $13 billion. It is estimated that in 1981 the total farm debt in Canada could be as high as $15 billion.

The cost of servicing this debt at a 10 per cent interest rate with improved market conditions could be described as manageable, but the cost of servicing this debt at depressed market prices and at a 20 per cent interest rate is obviously impossible to meet. Interest paid by Ontario farmers in 1979 amounted to $373 million, up from some $95 million in the five-year average period from 1970 to 1974. In 1981 the calculated interest paid by Ontario farmers is expected to be about $621 million. That amount surpasses the total income of Ontario farmers.

I had a conversation a couple of days ago with Mr. Henry Epp, who is the president of the Ontario Greenhouse Vegetable Producers Marketing Board, and he expressed concern not only about interest rates but also about energy costs. He indicated to me that about five years ago it required less than $10,000 to heat one acre of greenhouse. Today that figure has increased to $40,000 per acre and, when one projects the requirement for 1985, that $40,000 figure could easily be doubled.

Reference has been made to the fact that farmers buy retail and sell wholesale and that farmers have been under a wage and price control policy for years. That is accurate and true. The example I want to use has been prepared by a chap who farms in Victoria county, a Mr. Seldon Parker. He quite appropriately has used corn as an example. The following clearly demonstrates the loss in purchasing power of that commodity. Incidentally, we hear the Minister of Agriculture (Mr. Whelan) talking day after day about the number of programs in effect. One of his favourite themes is the advantages of advance payments, but corn does not qualify. Ontario's largest cash crop does not qualify for advance payments.

Mr. Parker has used January, 1973, for his example, and he has used one bushel of corn. In 1973 a bushel of corn sold for $1.68. In the other column he shows the price in the fall of 1981. Today corn is selling at $2.96 a bushel. He has taken his purchasing power in 1973 and the number of items he has to purchase, converted that to bushels and compared it in bushel terms to what would be required today.