

Agriculture

sector of agriculture is not prospering, but is suffering serious losses as many of them are today, the price stabilization board will in fact be a stop-loss. I say to the minister that so long as this is settled by a committee of cabinet ministers, including the Minister of Consumer and Corporate Affairs (Mr. Ouellet) and the Minister of Finance (Mr. MacEachen), and so long as the Minister of Agriculture is in a secondary position, this subject matter is not going to receive the consideration which is necessary for perhaps Canada's biggest local consumer, its biggest food supplier and the one with biggest impact upon the cost of food in this land. Stability can be introduced by a sincere government, and with an influential minister we do not need to be in the doldrums or in the position of uncertainty which we have experienced in the last ten years.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): Mr. Speaker, I am afraid I cannot agree with the comments of the hon. member for Carleton-Charlotte (Mr. McCain) or the hon. member for Regina West (Mr. Benjamin) about the hard-working, conscientious Minister of Agriculture (Mr. Whelan) and his ongoing efforts on behalf of the producers who find themselves in a bind in dealing with the banking institutions in Canada.

Only today I received a request for help from a grain elevator operator who has been facing receivership, not because of a lack of equity, but because of a lack of ready cash. He has been placed in receivership during the peak of the corn harvest because he missed one monthly payment on his mortgage. Another example is a farmer in my area who called me for help today. He revealed that he is being charged 30 per cent interest by one of the banks because he is behind in his payments. I wish to advise members of the House that under the authority of the Bank Act the inspector-general of banks has, as one of his obligations, the duty to act as an ombudsman to examine such abuses and disputes between the lender and the borrower. Believe me, he is available and he is effective in cases such as this.

Perhaps the current problems confronting some sectors of our agricultural economy today, particularly in eastern Canada, are the result of the bumper crops we have had throughout western Canada, most parts of central Canada and in the maritimes. These bumper crops have brought about lower prices. These lower prices have been caused in part by a supposed surplus during the peak of harvest, but also as a result of dropping currency values in other countries. For example, the currency values in England are down 21 per cent compared to the Canadian dollar this year, in France by 20 per cent, and in Germany by 18 per cent. When the currency values of these countries drop, naturally the grain marketers price the product accordingly, and the farmer ends up taking the loss.

We also have higher input costs due to increased energy prices and interest rates. Again we cannot discount the fact that decisions made in other parts of the world have a dramatic effect on our price structures here in Canada, particularly for those commodities which do not come under a marketing

organization or an authority to set prices according to cost of production with a reasonable return to the producer.

As a matter of fact, Alvin Toffler, author of the "Third Wave," points out that no longer can we expect in this country, or in any nation, to isolate ourselves completely from policy decisions made in other countries, because we are serving a global market, not just a domestic market.

It is interesting to note the stability of those products under our national farm products marketing program, or legislation in that area. Those products which are subject to the cost of a production formula do not suffer the same hardship as those produced in a free enterprise price system. I am speaking in this case of poultry meats, eggs and milk. Let me state to those opponents of these plans who suggest there is a high quota value built into the cost of production formula that there is no quota value at the national level. If there is a quota value involved, it is at the provincial level, under the provincial area of jurisdiction. Consequently those values are not included in cost of production formulas and, therefore, are not added costs to the consumer. Rather, those products are operating in a system of planned production, production planned for both domestic and export markets, at a reasonable price for both the producer and the consumer.

Perhaps I should refer to a study done in 1979 by Mr. A. Cayer comparing the price of eggs in Canada and in the United States at both the producer and the consumer level. The Canadian producer was receiving more than his American farm counterpart but the Canadian consumer was paying less. The consumer in Toronto, for example, was paying less than the housewife in New York. Our producers had a narrower margin between the farm gate price and the consumer price, to the benefit of society.

By contrast, producers such as beef producers have no countervailing force in the marketplace. Consequently, we see here in Canada very few but large supermarket chains, but when they decide to increase the margin of profit—that margin between the farm gate price and the selling price—the producer suffers. I submit to you that the current price war taking place among the supermarkets in Ontario at the present time will reflect dramatically lower profits or incomes to beef producers in Ontario. As a matter of fact, I suggest to you, Mr. Speaker, that the only products on which they will not lower their price are those they have to import from other countries, and the consumer will be paying for those products through the nose. In fact, one very large buyer of beef cattle withdrew from the marketplace on two afternoons last week and broke that price structure in the so-called free enterprise system by approximately \$6 per hundredweight. I suggest that this is just a start of the drop on the price of fat cattle across Canada which will be an added burden on the beef producers of Canada.

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I am a beef producer and an egg producer. I know the hardships, and if I had to make a choice between which product I would delete from my operation, it would have to be