

Farm Loans Interest Rebate Act

will be very difficult to deal with. It is an additional problem for the Government as we progress through the eighties, but we must try to cope with it.

This is an unnecessary situation. We need to address the primary producer and primary production level, not just in agriculture but in all sectors. We see ripples through forestry, mining and so on. If we do not ensure that the primary producer level survives, we are not going to have a vehicle for recovery. We will not have the opportunity to recover from our current crisis.

There are two major parts of agricultural production costs over which the Government has some direct control. Those two major parts are interest rates and energy costs. Interest rates probably account for 20 per cent of farm input costs. Farm debt this year is approximately \$17.6 billion and the interest on that debt is around \$2.2 billion. That is 20 per cent of production costs.

The other single major factor in so far as input costs are concerned over which the Government has some control is energy costs. Depending on the type of farming done, energy costs can range from 8 per cent to 33 per cent, the 8 per cent level being beef producers and the 33 per cent level being cash croppers. What has happened in the last several years is that the primary producer has had to bear as much, and more in some cases, of the burden of increased interest rates and energy costs. They have not been able to recover those costs. Those opposite have many theories on how those costs can be recovered, but the primary producers do not have the opportunity to pass those costs on directly to consumers.

● (1530)

This Government, Mr. Speaker, has failed in the last several years to come up with some reasonable solutions, so that there is at least an insulation, if not a relief, from those burdens. If we do not provide some relief at that primary producer level, we are going to see not only a continual decrease in the number of farmers, but a potential collapse of the whole farming industry, certainly in some sectors. Many times there has been mentioned specific things that could be done. This Party, over the last six months, presented a ten-point program of specific things that could be instituted to allow the type of healthy agricultural economy this country needs in the short and the long term.

The first thing that must be done is that in some way the Minister of Agriculture must be given more influence in Cabinet. The Minister mentioned in the House that he did have some influence in Cabinet, but it has been very difficult for me, as a reasonably new Member, to see where that influence lies. Certainly it has not resulted in any meaningful improvement in the financial circumstances of farmers in my area and, as far as I know, has not resulted in any significant improvement in the financial circumstances of farmers across Canada.

The second thing that must be done is to stabilize farm prices. We must have co-operation and leadership for and within the Provinces. As recently as several days ago, the provincial Ministers of Agriculture met, without the federal

Minister of Agriculture, not because they did not want to meet with him, but because he failed to follow through on a program he had committed himself to and they were forced to get together to try to come up with a national program. That clearly, Mr. Speaker, is a federal responsibility. We must have a national program so that each Province is not pitted one against the other, with different resources and opportunities, and there is some type of harmonization, some type of equalization of opportunities for farmers in the various Provinces.

I am not sure of the specifics of the meeting of the provincial Ministers of Agriculture, but clearly it is the time for the federal Minister of Agriculture to forward and enjoin the provincial ministers not only to co-operate, but to help in developing a plan which all Provinces can live with and which has some equity for all farmers in the country.

The Canadian Federation of Agriculture and, particularly, the Ontario Federation of Agriculture, have been very active in looking at farm financial conditions of today and over the last several years. They have come up with several proposals which we have looked at and with which we are in agreement, if not on the figures, certainly on the concept.

There is no question in anyone's mind that the Farm Credit Corporation itself requires a very significant, if not massive, infusion of capital. The changes which occurred in the legislation last April allowed the Minister of Agriculture to seek funding from outside Government, whether it be from pension funds or international banking interests. It has the ability now to do that. This increase in capital is very necessary for the Farm Credit Corporation to have the strength that is needed to meet the financial requirements of farmers today.

I have already mentioned, as many others, the agri-bond concept. That principle is simple. It is one that can be easily understood and implemented and is also allowable under the changes already provided through legislation last April. The Ontario Federation of Agriculture has also suggested an income market assurance program, which we would like to support. We are all on-track in the agricultural community in realizing that something at least equal to the provisions of IAACs should be reinstated in order to provide security for farmers who will retire, and to help in some way to reduce start-up costs for young farmers.

With respect to the energy tax credit, I would like to compare the farm situation to the petroleum situation. Some petroleum companies—Union Carbide is one that comes to mind—are in a situation right now where they have faced massive increases in pricing, particularly of natural gas, to a degree that they are not building plants. They are not investing their capital in Canada, not providing jobs, and they are not providing the value added, which in the case of their products can be as high as 21 times the value of the natural gas. They are not doing these things because they cannot be competitive at the prices which are being charged for the raw resources.

The same situation applies to agriculture, Mr. Speaker. It uses a very small percentage of our total energy requirements in Canada. If it is required, as a cost of input, to pay the full