

Agriculture

Last year the farming industry had approximately \$1.5 billion in interest payments. It will be \$2 billion, using the minister's own words, by the end of this year. The farming industry pays this money to carry on business. It does not do it for any other reason. What the minister and his government forget is that Revenue Canada is taxing the people who lend that money. Therefore, we have interest rates of 18 and 20 per cent when it could be 9 per cent or 10 per cent. This is not new to the minister because we have asked him about this in the House, we have written to him, and we have made proposals to the Minister of Finance (Mr. MacEachen). It is nothing new.

Today the minister was asked a question on cattle stabilization. He said in order to get 95 per cent or 100 per cent he would have to go to the cabinet. He told us that his batting average has been pretty lousy lately and that the chances were that he would not be successful. He told us that the cabinet made him go to 16.75 per cent interest for Farm Credit Corporation instead of the 14 per cent he wanted. He said he would just as soon have 90 per cent in cattle stabilization over the last five years because that was in the statute and his cabinet colleagues could not take it away.

In Saskatchewan we have a stabilization plan. I am not sure if the minister is aware of it.

Mr. Whelan: I know that.

Mr. McKnight: The minister says he is aware of it. I also hope he is aware of the consequences of it. It does not help anybody unless he happens to be a commercial feeder. It does not help the cow-calf operator. It does not help the guy who brings in cattle and feeds them on his farm because the plan provides that animals from the cow herd may be custom fed to slaughter while purchased feeders must be finished on the farm. You cannot go to the feed lot with that. It is very well set up! The stabilization fund is very well set up. The stabilization fund will be actuarially sound over time and if the deficit in the fund becomes too large the levy will be increased.

● (1640)

That is like the western grain stabilization fund the minister mentioned earlier, of which he seemed overly proud. When it first came in producers had the option of opting out of the western grain stabilization fund, and the premium was fixed at \$500 per producer. A couple of years later producers were locked in and the premium was increased to \$900 per producer. Now they are still locked into the fund and the premium is \$1,100. That is the history of that fund, and it has been three years since there has been a payout.

Mr. Whelan: The best investment a farmer can make.

Mr. McKnight: The minister says that is the best investment a farmer can make. How can a farmer invest in a grain stabilization plan when he is paying 20 per cent at the bank, does not have any quotas in order to sell his grain and is going broke? How can he pay that?

I will come back to the minister's point about marketing agencies and central selling. There is a central selling agency

for grain. In one area of my constituency which is rural and relies on grain production I spoke with a local banker and learned that financing for operating alone three years ago at his bank averaged \$21,000 among producers who had operating loans. Today operating loans average \$34,000. That is in three years, so I do not know why the minister says central selling is the answer. We have an agency; that is not the problem. The problem is paying \$100,000 for a combine at 20 per cent interest, or paying \$50,000 for a tractor.

The spokesman for the New Democratic Party spoke about his concern—and we all share it—about laid-off workers at Massey-Ferguson. I think the minister would have mentioned, if he had remembered to do so—and the spokesman for the New Democratic Party forgot as well—that those workers have the cheapest food in any industrialized country. Those workers have increases built into their contract. When they bargain, they bargain for increases every year. What has happened in farming? The reason those workers are out of jobs is that farmers have not been able to buy new machinery. I agree with the hon. member for Hamilton Mountain (Mr. Deans) that that is a very serious problem. It is serious not just for the farming community but for all of Canada. We have a built-in problem because of the high interest rate policy of this government.

When we talk about what farmers would like, I think I speak for any producer of a product. Farmers would like to take their incomes and wages from the marketplace. They do not want to get their incomes from the minister's department. They do not want to get it from Revenue Canada. The minister agrees with me.

We have heard much about Canagrex, of which the minister is proud. There is tremendous opportunity for the sale of food products produced in this country—and value added—to virtually every country in the world. There is talk about the inflow of American cattle. I have had the same discussion with the minister regarding the inflow of sheep. Presently there is a meat import law before the Standing Committee on Agriculture. Sheep are not dealt with by that law, and we hope the minister will take our suggestion that sheep and mutton be dealt with, because what we see happening to Canadian sheep producers is something which should never happen in a country which has the ability to feed itself. Canada definitely has that ability. Our farmers are productive and hard working. They have initiative, but the government should assist in terms of refereeing and playing the game.

On April 28 the minister said to the Canadian Food Processors Association at Halifax, and I quote:

Governments don't produce, but they certainly can play a role in your productivity. Government sets the rules and it creates the climate in which private industry plays.

By the minister's own admission, the government is not setting the proper rules, and that is what we would like to have in the form of leadership from this government, and from the Minister of Agriculture in particular. I do not doubt for one minute what the minister said when he was at a meeting in Ontario. I will not quote him unless I can do so accurately. I