

Agriculture

for 40 minutes, talking about everything under the sun except interest rates. We all know that interest rates today are the major factor in Canadian agriculture. They threaten its viability in the long run.

I wish to repeat a story that was told to me some time ago. It made the point that the only difference between North America and South America as far as stability of government is concerned is that South America was settled on the basis of land barons and serfs. As a result, South America does not have the same kind of stable conditions as far as government is concerned. Nor do they have the affluence we have in this country.

If interest rates make things very difficult for a young farmer, or if we condone interest rates which prevent anyone who wants to own a house or private property in this country from doing so, there is a very real danger of the kind of situation which they have in South America occurring here. I refer to the situation where many countries change governments by revolution rather than election. With this minister supporting the Bank of Canada and the fight against inflation and his colleague the Minister of Finance through high interest rates, he is pushing this country toward that kind of situation, and it will be very difficult, if not impossible, for young farmers to get started in agriculture.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I apologize to the Conservative member who just finished speaking. I am not a farmer. I had not realized when I came to the House of Commons that you were only allowed to speak about things you had absolute direct and personal knowledge about. If that were to be the case, there would not be very many speeches made by anyone in this House.

I suggest it is appropriate for members to speak about matters that worry them. I am vitally concerned about what is happening to farmers in Canada. The motion before us today ought to motivate more members to rise to their feet. There is a serious problem that hits the farming community and other related communities which has to be dealt with by this government and dealt with forthwith. It is about that that I want to speak this afternoon. I hope I do not offend anyone with my lack of knowledge, although I suspect I could find which end of the animal to look at to find out which sex it is.

The motion before us states the obvious. There is a distressing increase in interest rates for farmers as there is in interest rates generally. We condemn the government not only for this distressing increase in farm interest rates, but for its inability to come to grips with the interest rate problem in general.

The problem that concerns by far the vast majority of Canadians is compounded by the fact that farmers must rely so heavily on their borrowing capacity to see them through from one season to the next. The government will not only have to take a long, hard look at the short-term impact as evidenced by the high and ever-increasing numbers of bankruptcies that are taking place within the farming community. The long-term impact of high interest rate policies require farmers to delay unnecessarily the purchase of replacement

machinery. This has affected the machinery manufacturing sector. The long-term cost is felt not only by the farmer and the farm machinery manufacturing sector, but by the community at large. It is the consumer who over the next four or five years should buy the machinery but who cannot afford to buy it. These delays mean that farmers must continue to use machinery that will become obsolete. In the case of the farmer that obsolescence results in an inability to meet production requirements, the cost of which in the long run is on the consumer in Canada. It is to that end I wish to speak.

● (1540)

Many people tend to isolate groups in society and try to deal with them in a segmented way. They talk about farmers as if their problems are quite unique and they do not in any way impact on anyone else. They will then look at the situation in the consumer area, outside of the farmer, and try to make it look as if that group can be dealt with separately and apart from the other.

I do not happen to believe that is the case. I think what we see happening in the farm community is what we see happening in the small business area and throughout most of Canada's manufacturing and producing sector. What we will have in the long run is an undermining of the stability of the economy. If that undermining has not already taken place, it will certainly take place in the not too distant future.

I should like to deal with some matters that I think are of vital importance. First of all, I want to suggest it is of some significance that today we see the Massey-Ferguson Industries Limited of Brantford, along with a number of others, cutting back on their work force. Why are they cutting back on their work force? It is because the farmers of Canada cannot afford to undertake the cost of replacing the machinery that should be replaced during these years. They cannot afford to carry the burden of indebtedness that the replacement undoubtedly will bring. The end result for Massey is that the lay-offs are significant.

It is not only in Massey that the lay-offs are significant. I was reading an article with some interest in *The Globe and Mail* by Kevin Cox that had a dateline Hamilton. He said:

More than 30 per cent of the farm machinery dealers in Ontario will go out of business in the next six months unless farmers get a break from high interest rates, a Simcoe-area equipment distributor predicted yesterday.

He is quoted saying:

"Nobody's buying a thing and I can't blame them," Robert Laning of Laning Farm Equipment Distributors told the Ontario Federation of Agriculture task force on the farm economy.

Mr. Laning went on to say:

—many of Ontario's 400 dealers are in serious trouble because farmers can't afford to buy new equipment at interest rates of more than 20 per cent.

There have been lay-offs throughout the farm supply industry, and "if something isn't done to lower interest rates, we'll see businesses go under. Even with a good equity position, paying \$3,000 to \$4,000 a month in interest is a bit much."

This is clear evidence of the spin-off effect of high interest rate policy being followed by the government. The government systematically has informed this House and the public of